



Chief Albert
Luthuli Municipality

2021-2022

Annual
REPORT

Chapter 1

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD



The financial year of 2021/2022 established a new beginning for the Chief Albert Luthuli Local Municipality as our communities headed to the voting stations to cast their votes for the political parties and candidates of their choice. We welcomed the formation of a new Council and the development and adoption of the 2022-2027 IDP and Budget, which assures an opportunity of creating and implementing new strategic goals and concrete plans to achieve service delivery. On the same note, I wish to acknowledge the sterling work done by the erstwhile Council, their unwavering support, and the inroads towards service delivery it has recorded whilst striving to realise the municipality's vision and mission, which are supported by Section 152 of the Constitution as it relates to the objectives of local government. The outgoing Council has ensured that the new administration and political dispensation alike inherits a healthy administration and an Integrated Development Plan (IDP) that would have transformed the lives of communities for the better in the strictest sense of the word.

One cannot reflect on transition without deliberating on the District Development Model

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(DDM), one of the pivotal frameworks in the current administration. The model was initiated by President Cyril Ramaphosa during his 2019 budget speech. The President identified the “pattern of operating in silos” as a challenge which led to “the lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult”.

In the aftermath of the 2021 Local Government Elections, the Administration was presented with tasks to accomplish enhancements in basic service delivery within avenues of water and electricity access; road networks development; renewal of infrastructure; fleet and transportation innovations and efficient and sufficient collection of waste in both urban and rural areas. The political environment diversified as the different political parties participated in the municipal council’s decision-making processes. The improvements in key performance areas, as well as the unsatisfactory underperformance of the Municipality reflects the political oversights committees’ guidance and recommendations made to ensure effective and efficient use of municipal resources and improve capital budget and grant spending. The Section 79 Political Monitoring Committee met as scheduled, and this engagement allowed for concerns to be raised and interventions to be proposed and implemented.

Community consultations were conducted extensively through social media platforms, and thus, this method of communication has been improved as a measure of public engagement. On May 20, 2022, the Municipality held the Presidential Imbizo with President Cyril Ramaphosa, which proved to be one of its most important consultations. In order to conduct oversight, President Ramaphosa travelled to Carolina, Mpumalanga. The president vowed to keep creating a moral, competent, and developing state that fulfils its obligations and is free of corruption in all spheres.

President Ramaphosa emphasised that no-one will be left behind as government works with all sectors of society to move the country forward and therefore the Imbizo was an important milestone towards achieving this goal and building a comprehensive social compact to realise better life for all South Africans. The DDM which is an all-of-government and society approach advocates for integrated and responsive planning, implementation, and budgeting guided by the ‘One Plans’, to leverage the endowments of the province for the benefit of communities in Mpumalanga.

Public consultations were initiated aggressively after the November 2021 elections, as Council was faced with establishing a new 5-year IDP. Public participation processes took place simultaneously as the establishment of new ward committees needed to be finalized to identify ward priority needs for the upcoming financial year. The municipality has seen an improvement by collaborating with all stakeholders, including business, community, unemployed structures, faith-based organisations, CDWs, and ward committees. The local AIDS Council is in place and is meeting on a quarterly basis. The active participation by these various stakeholders did not only strengthen the capacity of the municipality but also narrowed a social distance between the municipality and the community. The municipality

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seeks to achieve economic growth and poverty alleviation by ensuring a better life for society by coordinating sustainable social and economic developmental programs.

Furthermore, our municipality aims to create a conducive environment for business investments and growth for job creation. Thus far, the EPWP and CWP have contributed positively to maintaining a safety net for the poor communities and alleviating poverty where it matters the most. With our growing population and the immense need for housing, we work hand-in-hand with the Department of Human Settlement to assist our communities to have shelters.

Working together, we need to improve the audit opinion as we have regressed from an unqualified audit opinion to qualified opinion. Within the legislative wing guided by the Speaker and Chief Whip and the executive wing led by the Members of the Mayoral Committee (MMC's) for continuously devoting themselves to the oath of serving our communities.

Finally, the municipality will ensure that its most valuable resource, i.e., its staff, is highly valued and supported. Training, personal development, career-pathing, talent management, coaching, mentoring, and the Employment Assistance Programmes are some of the specific interventions that will need to be enhanced. As with the politicians, it is important that we focus our energies on the mandates we have from our respective political parties. Our differences should only be an indication of a strong democratic state, not an impediment to delivering services to our people. It is commendable to note the improvements in relation to our spending and expenditure patterns, but we need to do more. The ever-present excuse of a lack of resources might be a legitimate one, but the key question is how effectively we use the resources at our disposal. It is clear from this annual report that we are moving in the right direction, although we may not be there yet. It is of paramount importance to synchronise our programme plans with quarterly targets to achieve our broader goals of an effective and efficient municipality.

Cllr DP Nkosi

Date

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 2021/2022 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 which are the Eerstehoek Water Treatment Works & Avontuur Water Treatment Works funded by the Regional Bulk Infrastructure Grant (RBIG). Needless to mention that these schemes were of a multi-year nature and did not immediately resolve our water supply challenges, however we are confident that upon successful implementation they will yield great positive results.

From an administrative perspective, the year under review in comparison to the previous financial year, had its share of successes and challenges. In the past four years, the Chief Albert Luthuli Municipality has been enjoying positive audit opinions, with emphasis from the Auditor General, amid certain recurring attributes in our financial reporting that were only detected in the year under review. I note with disappointment the negative audit outcome for the year under review as pronounced by the Auditor General, yet I accept it due to my understanding of the underlying reasons and contributing factors building towards the opinion.

With all the administrative challenges clearly identified, we aim 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

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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. Most of its households have been rated poor in terms of household income according to the latest Statistics report. 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 only one conventional wastewater treatment work and four biological sewer ponds. As such, most of the households are not connected to the sanitation grid due

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to the design capacity of the existing infrastructure. However, 450 VIP toilets were constructed during 2021/22 financial year to attend to the backlog on sanitation services. Currently, the municipality is providing sanitation services to at least 51 319 households.

The Municipality had the following capital projects that were approved by Council for the 2021/22 financial year in an effort to reduce this backlog:

- Upgrading of the Eerstehoek Wastewater Treatment Works
- Upgrading of the Mpuluzi Wastewater Treatment Works

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:

- 6 488 registered indigents received free basic electrical services
- Completion of upgrading of Silobela Substation;
- 446 public lights maintained;
- 212 Smart meters installed to enhance revenue;
- 71 km of distribution network successfully maintained; and
- Kiosks were replaced in Carolina CBD.

FINANCIAL VIABILITY AND FINANCE MANAGEMENT

The 2021/2022 income and expenditure as outlined in the financial statements increased as compared to the previous year. This resulted in the operating surplus of R305 994 649 representing an increase of R3 310 649 from 2020/21 financial year. Total revenue increased by 5% from R957 453 000 in 2020/21 to R1002 730 229 in 2021/22. The total expenditure decreased by 6% from R740 515 000 in 2020/21 to R696 735 580 in 2021/22, as reflected in the Statement of Financial Performance in the Annual Financial Statements.

The Municipality's cashflow has decreased from R56m to R26m. This represents a regression of R30m (54%) However, the greatest challenge facing the Municipality lies in its inability to fully recover costs incurred on electricity and water provided to its communities. Currently, the Municipality is only able to collect less than 30% of its electricity costs as most of the areas are not billed for water.

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INSTITUTIONAL DEVELOPMENT and TRANSFORMATION

The Municipality adopted an Employment Equity Plan approved by Council. The number of people from the employment equity target groups employed in the three highest levels of management is compliant with the municipality's approved employment equity plan. The three highest positions were 100% occupied by the previously disadvantaged group. The total number of employees was 556, and 467 posts were filled during the year under review.

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; and
- 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.

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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 talks about the community participation. It gives rise to the fact that a municipality must develop a culture of municipal governance that complements 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.

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 LED Forum was launched in 2017, 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. It should however be noted that the five (5) year period for the forum has lapsed. The LED department is planning to re-launch the new structure in the 2022/2023 financial year. The COVID-19 pandemic presented a challenge, and the structure wasn't as effective within the last two years.

The number of jobs created through the infrastructure development programmes totalled 3239 (from CWP Carolina, Tjakastad, and Nhlazatshe), 250 CALM EPWP, 280 through poverty alleviation projects and 31 Siyathuthuka participants.

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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 materialises. The Municipality is responsible only for the monitoring and implementation of the Municipality's Spatial Development Framework and Land Use 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 206 housing units are monitored. The Department of Human Settlements has recently appointed a service provider to develop a 5-year housing plan.

I hereby respectfully acknowledge Mr. MS Dlamini, the former Municipal manager who exited the institution in April 2022, having positively contributed to the year's activities, and former Section 56 managers for the strategic leadership given and skills built within the administrative sphere of the Chief Albert Luthuli Local Municipality.

Yours in Good Governance

Municipal Manager

Mr: ME Thabethe

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1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION: BACKGROUND

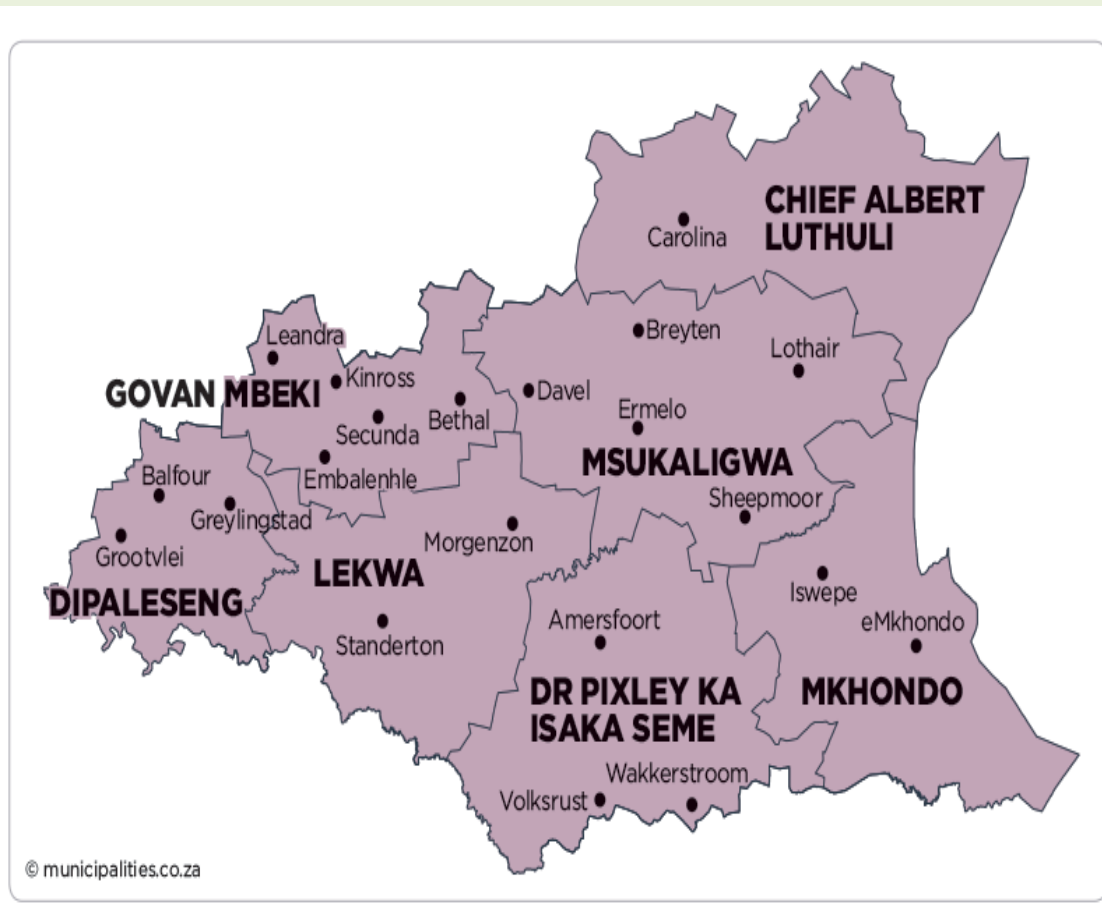
The Municipality is named after the great leader of the people and the African National Congress movement, Chief Albert Luthuli. The Municipality is a Category B municipality situated within the Gert Sibande District Municipality, on the eastern escarpment of Mpumalanga, and shares its eastern border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

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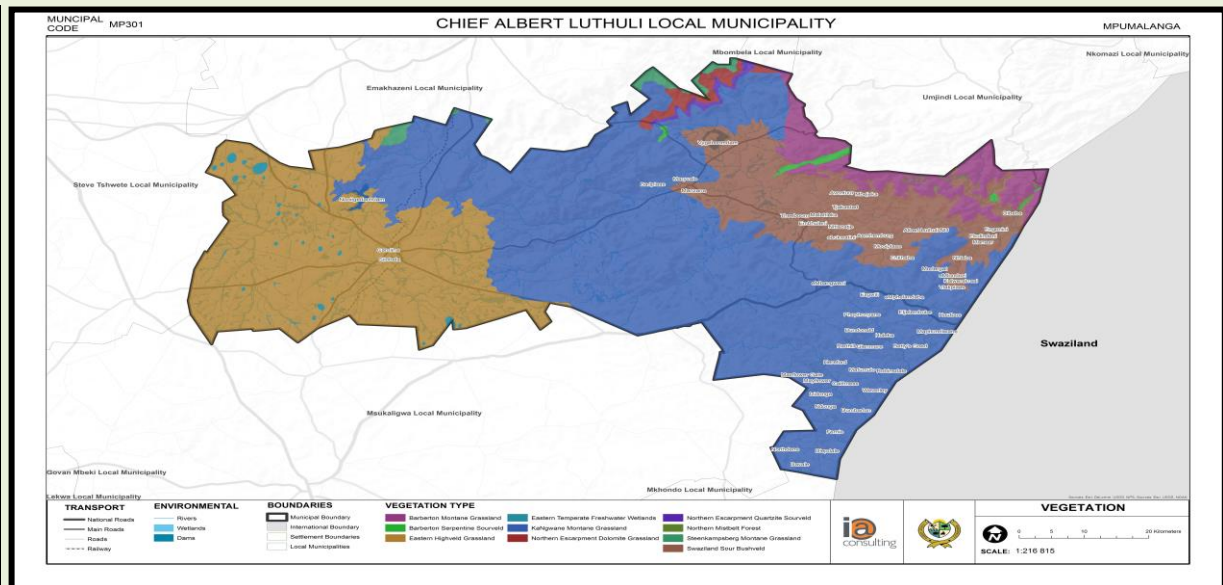
The N17 cuts through the south-eastern part of the area, as well as other regional mobility routes, namely the R36, R33 and R38. The majority of rural settlements are spread across the eastern part of the municipal area and access is provided by the R541, N17 and various secondary routes.

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 also in smaller centres such as Elukwatini and Emanzana.

Map 1: Municipal District Location



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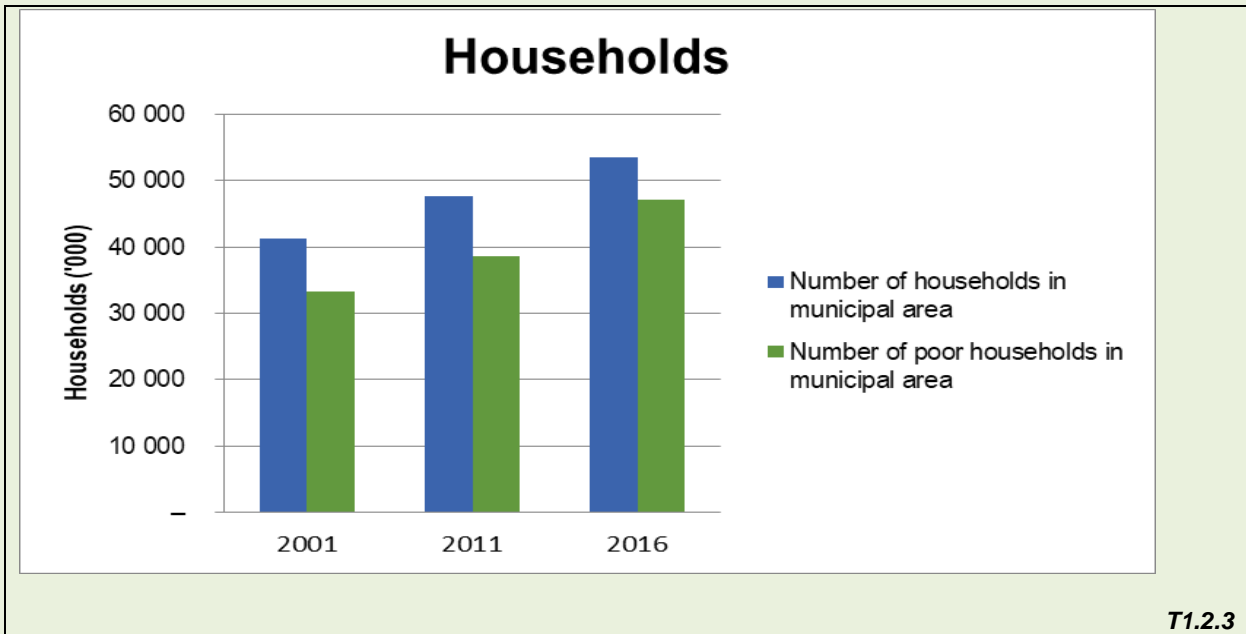
DEMOGRAPHICS

The Chief Albert Luthuli Municipality (CALM) spans an area of 5,559 km², with urban, tribal/traditional, and farm areas. The population density is 29 people per km². According to the STATSSA Community Survey the population of CALM increased from 186 010 in 2011 to 187 630 in 2016, the tenth largest in Mpumalanga and forms 16.5% of Gert Sibande's population (STATSSA Community Survey, 2016), with a projection of 192,000 people 2030.

Young people in CALM make up 38% of the total population between the ages of 15 to 34 years in 2016. In the same year, 52,9% comprised of the female population, while 41,1% comprised males (STATSSA, 2016). Information on population by race shows that the black Africans (98.7%) dominate the municipality's population, followed by Whites (0.7%) being the second largest group. The Coloureds (0.3%) and Indians (0.2%) being the least dominant at less than 1% respectively (STATSSA, 2016). The functional age groups are made up by the working age group (15 to 64 years), 60,3%; the young group (0 to 14 years) 34.1%; and the elderly group (65+) 5.7%. Females represent 53.0% of the population and males 47.0%. Youth up to 34 years represent 41.4% of the population. The sex ratio for the population is 89 males per 100 females.

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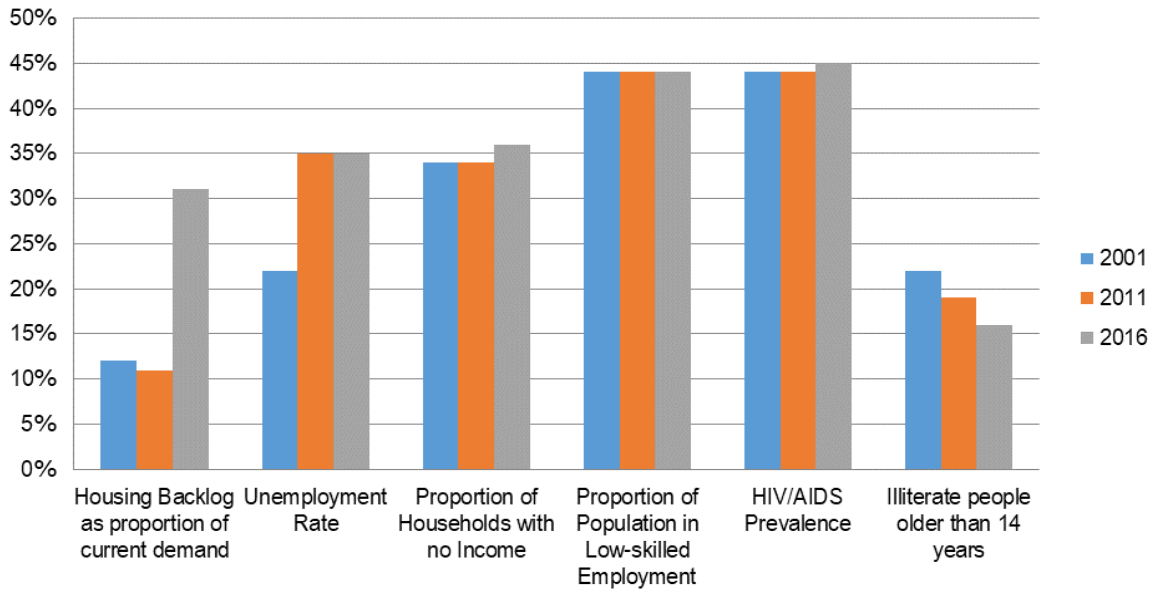
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Socio-Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2001	12%	22%	34%	44%	44%	22%
2011	11%	35%	34%	44%	44%	19%
2016	31%	35%	36%	44%	45%	16%
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Socio Economic Status



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Overview of Neighbourhoods within the Chief Albert Luthuli Municipality

Settlement Type	Households	Population
Towns, Townships, Rural Settlements and Informal settlements		
Aarnhemburg	127	504
Albert Luthuli NU	3660	14267
Avontuur	157	781

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Overview of Neighbourhoods within the Chief Albert Luthuli Municipality		
Settlement Type	Households	Population
Badplaas	163	582
Betty's Goed	342	1489
Caithness	24	136
Carolina	5059	16846
Davale	172	885
Dibaba	48	107
Diepdale	1598	6768
Dumbarton	60	281
Dundonald	1229	4764
Ekulindeni	1341	4521
eMbangweni	727	2879
Embhuleni	128	595
eMlondozi	0	0
eMphelandaba	143	532

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Overview of Neighbourhoods within the Chief Albert Luthuli Municipality		
Settlement Type	Households	Population
Engonini	118	427
Enkhaba	123	525
Esgwili	538	2504
Etjelebube	507	2165
Fernie	3783	15693
Glenmore	1830	7180
Hereford	265	1400
Holeka	609	2520
Houtbos	283	1215
Izidonga	131	694
Kalwerskraal	19	91
Lukwatini	3921	13149
Mafumulo	240	1077
Malahleka	65	333

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Overview of Neighbourhoods within the Chief Albert Luthuli Municipality		
Settlement Type	Households	Population
Manaar	222	965
Manzana	1970	6922
Maphundlwane	353	1318
Maryvale	49	112
Maxflower Gate	552	2401
Mayflower	3638	13547
Mbejeka	116	514
Modergat	44	241
Mooiplaas	987	4149
Ndonga	48	268
Nhlaba	204	779
Nhlazatje	6983	28224
Nooitgedachdam	32	50
Northdene	81	388

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Overview of Neighbourhoods within the Chief Albert Luthuli Municipality		
Settlement Type	Households	Population
Phophonyane	80	444
Redhill	1180	4861
Robinsdale	243	1165
Theeboom	78	418
Tjakastad	3071	12711
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

Chapter 1

T 1.2.7

COMMENT ON BACKGROUND DATA

Mining, forestry and agriculture, and tourism are all important economic drivers within the Municipality.

T 1.2.8

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY: INTRODUCTION

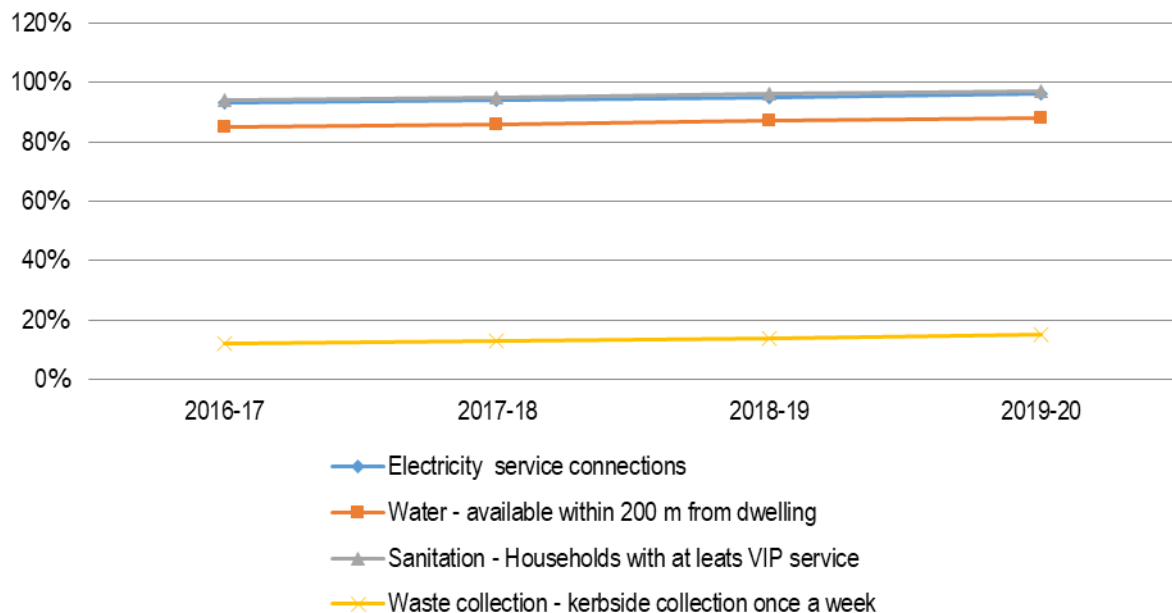
The Municipality provided free electrical services to 6 488 registered indigent households during the year under review.

Free basic services are provided to qualifying indigent households. In the 2021/22 financial year an average of 90% of qualifying households received free basic water and sanitation services, 16% of qualifying households in the Municipality's supply area (Carolina and part of Emanzana) received free basic electricity, and less than 1% of qualifying households received the discounted refuse removal service. Due to the rural nature of the municipal area, it is not possible to provide the refuse removal service to all households.

T 1.3.1

Chapter 1

Proportion of households with access to basic services



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

The Municipality supplies basic water within the RDP standard to almost 89% (47 705) of 53 480 households under difficult conditions. This, despite the fact, that the majority of households are located in rural towns and villages, many of which are surrounded by sparsely populated areas that are outside the bulk water infrastructure. As such, a different approach was taken by providing water to those areas through contracted water tankers. Completed water meter installation totalled 22 644 during the year under review.

The Municipality provides access to electricity to 96% households, and households without electricity are now less than 2 140, according to the SA Statistics (2016) Community Survey. However, the maintenance of that infrastructure remains a challenge due to the high cost of Eskom-supplied electricity that municipalities currently struggle to keep up with. Completed electricity smart meter installation totalled 714 during the year under review.

The proportion of households with access to basic sanitation is 91%, which is more than 43 000 households. However, some 10 000 households (5%) does not have access to toilet facilities. A total of 400 and 366 waterborne sanitations and Smartsan toilets respectively, were installed during the year under review.

Chapter 1

The Municipality has a road network of approximately 649 km, of which 81% are gravel roads, mostly located in the rural areas. A total of 407 km gravel roads and an area of approximately 814 m² road was maintained.

T 1.3.3

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The total operating expenditure for the year under review decreased from R755-million (2020/21) to R698-million (2021/22). The decrease in total expenditure for the current year amounted to a decrease of 8% when compared to 2020/2021 total expenditure. This change resulted in the operating surplus increasing from R288-million to R308-million representing an increase of R19m from 2020/2021 financial year. The total revenue for the year under review decreased from R1 043-million (2020/21) to R1 006-million (2021/22). The decrease in revenue for the year under review (2021/22) represent a decrease of 4% when compared to revenue for 2020/2021 financial year.

T 1.4.1

Financial Overview: Year 2021/22			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	755 385	699 702	798 245
Taxes, Levies and tariffs	205 727	222 308	142 014
Other	13 796	9 068	62 471
Sub Total	974 909	931 078	1 002 730
Less: Expenditure	(548 693)	(616 482)	(696 736)
Net Total*	426 216	314 516	305 995
* Note: surplus/(deficit)			T 1.4.2

Chapter 1

Operating Ratios	
Detail	%
Employee Cost	34%
Repairs and Maintenance	14%
Finance Charges and Impairment	4%
T 1.4.3	

COMMENT ON OPERATING RATIOS:

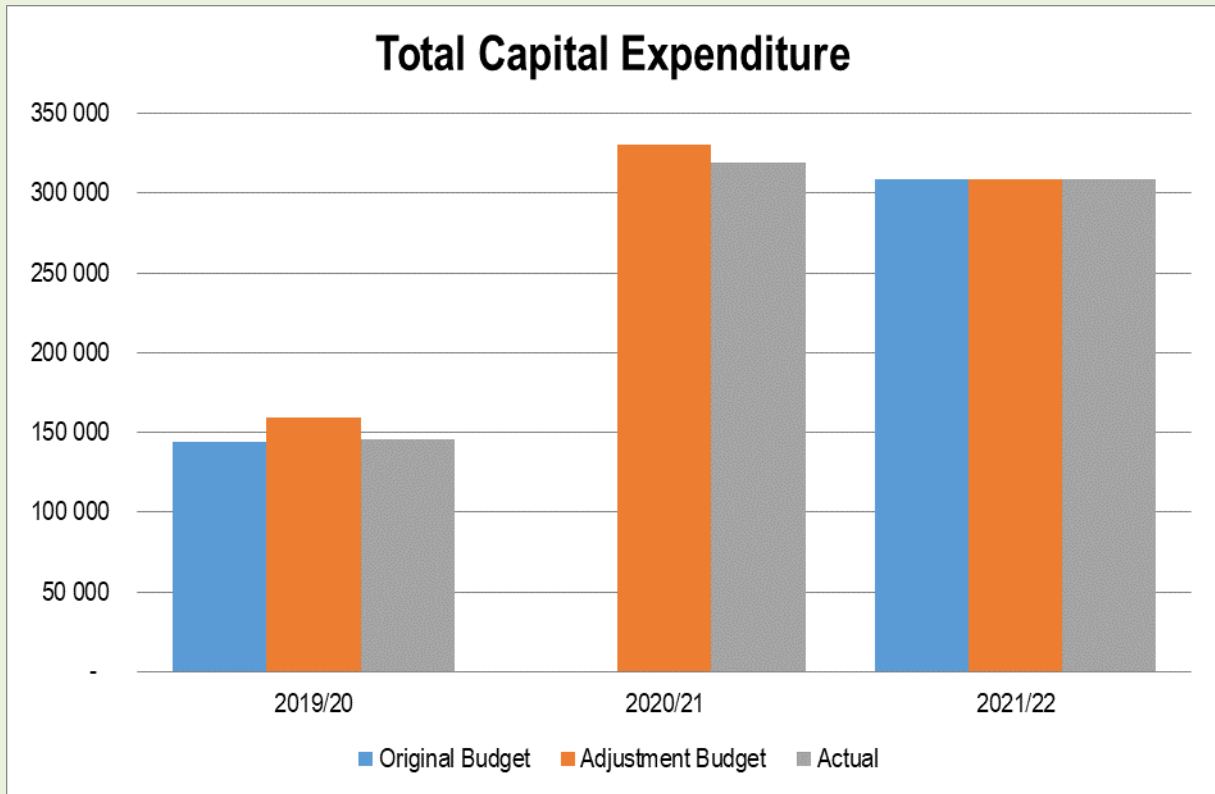
Employee Cost: The total employee costs is within the National Treasury prescribed norm of 25%-40%.

Repairs and Maintenance: The municipality repairs and maintenance of 14% is well above expected norm of 8% due to the aging infrastructure requiring regular repairs and maintenance.

Finance Charges and Impairment: Finance charges and impairment ratio of 4% is within the expected norm of 10% due to the strict measures in place to keep this expenditure at a minimal.

Total Capital Expenditure: 2020/21 to 2021/22			
R'000			
Detail	2019/20	2020/21	2021/22
Original Budget	144 305	342 659	308 470
Adjustment Budget	159 439	330 175	308 470
Actual	145 439	319 558	308 470
T 1.4.4			

Chapter 1



1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality has 622 approved and funded positions, of which 496 (79.7%) are filled leaving only 127 (20.4%) positions remaining vacant. The municipality has 20 developed and implemented policies in place to govern its operation through managing its workforce.

T 1.5.1

Chapter 1

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 2021/22

Audit opinion: Qualified

Key steps taken to accomplish this important achievement

Management developed and action plan to address all audit finding raised by the Auditor General during the 2021/22 financial year. The action plan will be monitored by the Chief Financial Officer and the Municipal Office Manager.

Management assigned a dedicated resource to deal with portfolio of evidence for all planned and reported key performance indicators and targets.

On a weekly basis, top management meetings are held where all strategic decisions are made as part of implementation of the SDBIP. Action plan remains a standing item in these meeting. There is a room for improvement on the annual performance report based on the 2021/22 final outcome from the AGSA as shown in chapter 6 below. Management therefore endeavour to continue with this initiative to improve performance of the municipality

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 year 2021/22 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August

Chapter 1

8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	December
16	Council adopts Oversight Report	
17	Oversight Report is made public	
18	Oversight Report is submitted to relevant provincial councils	January
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	
T 1.7.1		

COMMENT ON THE ANNUAL REPORT PROCESS:

In order to meet the deadline for the submission of the annual report, the statutory annual process started in July 2022 after the submission of the quarter-four report to council, which made it possible for the development of the Draft Annual Performance Report. The report was served to the audit committee before it was submitted to the council at the end of August 2022. It was then submitted to the office of the Auditor General for auditing, from which the outcome emanated.

T 1.7.1.1

Chapter 2

CHAPTER 2: GOVERNANCE

INTRODUCTION TO GOVERNANCE

The national, provincial, and local spheres of government are recognised as distinct, interdependent, and interrelated in Section 40 of the Constitution. All spheres of government must observe and adhere to the legislative principles and conduct their activities within the parameters provided. The Constitution (Section 41) requires that all spheres of government and all organs of state co-operate with one another.

The municipality was derived from the Constitution; Section 151 states that the objects of local government and the municipality must strive to achieve the following objects within its financial and administrative capacity:

- 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; and
- To promote a safe and healthy environment; and to encourage the involvement of communities and community organisations in the matter of local government.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution (1996) states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community. Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of implementing policy.

T 2.1.0

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Municipality adopted an Executive mayor and Executive committee governance arrangement. The Municipality is comprised of a Mayoral Committee, and Section 79 and 80 Committees. 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 opinions 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. The Municipality established the Municipal Public Accounts Committee (MPAC) as an oversight committee, comprised of non-executive councillors, with the specific purpose of providing Council with comments and recommendations on the Annual Report. The Municipal Public Accounts Committee's (MPAC) report 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. Inputs from the ward committees are discussed in Council meetings so that they receive the necessary attention.

T 2.1.1

POLITICAL STRUCTURE

EXECUTIVE MAYOR

Councillor D.P. Nkosi (01 July 2021 to 31 October 2021)

(01 November 2021 to 30 June 2022)

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;

Chapter 2

- 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.

SPEAKER

Councillor M.W. Mngomezulu (01 July 2021 to 31 October 2021)

Councillor S.V GININDA (01 November 2021 to 30 June 2022)

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.

Chapter 2

CHIEF WHIP

Councillor L.L. Sidu (01 July 2021 to 31 October 2021)

(01 November 2021 to 30 June 2022)

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

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

I. Planning and Economic Development

Councillor S.Z. Nkosi (01 July 2021 to 31 October 2021)

Councillor S.P. Nkosi (08 November 2021 to 30 June 2022)

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:

Chapter 2

- 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

II. Public Safety and Community Services

Councillor N.V. Makhubelo (01 July 2021 to 31 October 2021)

Councillor G.G. Zulu (08 November 2021 to 30 June 2022)

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 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.

III. Corporate Services and Administration

Councillor N. Mnisi (01 July 2021 to 31 October 2021)

Councillor J.T Mathebula (08 November 2021 to 30 June 2022)

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 following programs:
- 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.

IV. Infrastructure and Technical Services

Councillor M.P. Magagula (01 July 2021 to 31 October 2021)

Councillor S.N Dube (08 November 2021 to 30 June 2022)

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.

V. Finance

Councillor S.N Dube (08 November 2021 to 30 June 2022)

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.

VI. Special Programme

Councillor N.G Thomo (08 November 2021 to 30 June 2022)

As a member of the Mayoral Committee:

- Advocating for the vulnerable groups i.e. youth, gender, children, senior citizens and

Chapter 2

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 councillors. The MEC for CoGTA, the Honourable Mandla Ndlove, designated full-time councillors, being the Executive Mayor, three Members of the Mayoral Committee, the Speaker of Council, and the Council Whip. However, a directive was given by CoGTA that the Municipality could only fill three vacancies on the Mayoral Committee. The others would be filled after verifying the Municipality's financial viability.

The Municipality has been able to fill a fourth position on the Mayoral Committee, thus the Municipality now has four Members of the Mayoral Committee as listed in table T2.1.1 above.

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

Chapter 2

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 finalisation, and matters are reserved for the Municipal Council for finalisation.

During the 2021/22 financial reporting period, the council took 469 resolutions. The municipality implemented 413 (88%) resolutions made, and the implementation of 56 (12%) was still in progress at the year end. Please refer to the table below regarding resolutions still in progress at year end:

T 2.1.3

NO	RESOLUTION BY COUNCIL	PROGRESS
1.	That the report be taken as a step forward to improve the Performance Management System Section (PMS) and to capacitate the Section to deliver effectively.	The municipal manager is currently in process of capacitating the unit.
2.	The Accounting Officer to empower the Internal Audit Unit with respect to more scope/assignments in monitoring, evaluating of the controls to mitigate any risks and minimize the irregular expenditures as the investigation resulted in identification of control and monitoring weaknesses in the Supply Chain Management.	The internal audit unit will be capacitated .
3.	In aid of (3) above, the municipality to develop a turnaround plan and implement the financial recovery plan supported by the Provincial Treasury to look at the municipality at a holistic level with a view of ascertaining the big cost drivers and to look at the Revenue Enhancement Strategy, especially the effectiveness of the current internal management controls in a bid of amassing more revenue.	Financial recovery plan is currently being developed.

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NO	RESOLUTION BY COUNCIL	PROGRESS
4.	Council mandate the Accounting Officer to explore the possibility of buying out the Director Planning and Economic Development from his contract or negotiate a possible settlement with the Director: PED and conclude such settlement and report to council on the outcome in the next council sitting	A letter was issued to COGTA requesting for advice in relation to this resolution if it is possible to Consider buying out the Director from his contract or not, therefore the Office of the Municipal Manager and the Corporate Services Department is waiting for a response.
5.	The Director: PED is placed temporary in the office of the Municipal Manager pending the outcome of resolution number 2 above.	Currently the Director Community and Safety is acting and Director Planning in the office of MM as performance evaluation Manager
6.	The Contract Manager to periodically monitor if local content is implemented on all bids.	For the Quarter under review there are no bids that were approved hence it will be done as soon as the bids committee sits.
7.	Council to review its Delegation Register to ensure that the new proposed amendments are incorporated on the Delegation Register, particularly as they affect the functions and powers of the Speaker.	A delegation register was reviewed.
8.	The Municipal Public Accounts Committee to review its Work plan and Terms of Reference to ensure that they encompass the scope articulated on Section 79 (3) of the MSA Amendment Bill 2021	The plan has been submitted to Council for approval.
9.	During the next review cycle, Council to ensure the incorporation of the pertinent changes on the staff regulations on the PMS Framework.	This will be done during the review processes of the PMS Framework.
10.	Council adopts the Draft Water Services Development Plan for public participation, and the comments from the public be incorporated into the final Water Services Development Plan before submission to the Department of Water and Sanitation.	Still awaiting for inputs.
11.	Before the finalisation of the final water services development plan the Department of Water and Sanitation as well as the Cooperative Governance and Traditional	Still awaiting for departments comments.

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NO	RESOLUTION BY COUNCIL	PROGRESS
	Affairs (CoGTA) to make comments.	
12.	The department must prioritize the filling of the three critical vacancies, namely – Chief Fire Officer, Chief Traffic Officer and Environmental Officer.	The posts have been advertised and the process of recruitment is under way.
13.	The directorate to fast track the completion of the Task Job Evaluation System with a view of enforcing the essential uniformity for a variety of sector processes such as wage bargaining, comparative understanding of workforce establishment levels and organisational development, sector skills planning, employment equity and the organisation of education and training.	In progress: to re-establish the internal JE Committee to try and fast track the processes.
14.	The directorate to attend to the ineffective customer satisfaction survey which robs the municipality of valuable insight on the perception of services rendered by the municipality.	In progress: customer surveys forms have been developed and they will be circulated to all the front desk for customers.
15.	The directorate to consider more investment in attending to the deteriorating infrastructure as a result of ageing and insufficient maintenance to ensure a sustainable supply of water in the ever so increasing municipal population	The Municipality has submitted a business plan to CoGTA for review which will be submitted to DBSA.
16.	Council takes note and approves the draft programme for the establishment of ward committees for implementation for the new administration from 2021 to 2026.	The programme is to be implemented.
17.	Council empowers the Executive Mayor and the Municipal Manager to conclude this item taking into consideration the resolutions above and report back in the next meeting.	The letter was written and submitted to Minister through the provincial COGTA, Currently awaiting for the Waiver from the Minister.
18.	The Accounting Officer submit a report to the MPAC meeting of May 2022 on the remedial actions taken on the non-attainment of the 25% of the indicators as enshrined on the approved SDBIP and IDP targets for the period under review. This will ensure that the municipality makes progress towards attaining the desired clean audit	An acceleration plan was developed for departments and assessments made for the directors.
19.	The Accounting Officer to commission an investigation on the material losses on water and electricity with a view of	A criminal case has been opened to SAPS and investigation is

Chapter 2

NO	RESOLUTION BY COUNCIL	PROGRESS
	mitigating elements of criminality in these scopes.	ongoing.
20.	From all the public hearings conducted and interactions with community members, it is evident that the root causes of dissatisfaction with service delivery in the municipality are rooted from the lack of maintenance of infrastructure. The Accounting Officer in this regard is implored to tighten his internal control and monitoring of service delivery buy resuscitating the Service Delivery Committee to be comprised of members of that will report periodically to the Mayoral Committee.	The Basic service delivery is a standing item of top management (Topman) on weekly basis. Reports are submitted to the accounting officer.
21.	As part of Economic Recovery Plan, the Accounting Officer to ensure proper tourism awareness programs are taking place marketing all the tourism hotspots of the municipality	Tourism awareness programmes are being conducted; we are currently compiling a data base tourism product facilities.
22.	The Accounting Officer to develop an Economic Growth Strategy that will aid the implementation of the LED Strategy to ensure an equitable economic development within the municipality and general improvement in the quality of lives of the residents.	Request submitted to COGTA for assistance.
23.	The municipality to finalize all outstanding township formalization processes in terms of spatial planning to enable the municipality to be able to legitimately bill and collect for services to improve revenue collection and ring-fence those monies for infrastructure development.	Service provider appointed for formalisation of Nhlanzatshe 1.
24.	The Accounting Officer must FastTrack the upgrading of the Eerstehoek Water Treatment Plant with the envisaged impact of mitigating the water supply challenges in the areas such as Tjakastad, Nhlanzatshe and Elukwatini.	Upgrading is at a completion stage.
25.	The Accounting Officer to commission an internal investigation on the state of the Carolina Water Treatment Plant and the continuous breakdowns at the plant amid allegations levelled by community members that the Carolina area is supplied with un-purified water and is not solely case of turbidity. This matter was raised sharply during the Carolina Public Hearing programme.	The municipality has developed control measures on improving the state of water quality in all council water treatment works and providing monitoring tools on the state of our facilities and its performances.
26.	Where Eskom is the direct supplier of electricity, management must engage Eskom with a view of adopting	The municipality will engage Eskom as stakeholder to improve

Chapter 2

NO	RESOLUTION BY COUNCIL	PROGRESS
	mutually-agreed upon turnaround time with respect to restoration of power after unplanned power outages/intermittent breakdowns.	relations.
27.	The municipality to expedite road resurfacing of roads and patching of potholes to address damage to vehicles and potential disinvestment that is associated with inadequate road infrastructure ¹⁴ .	The program is being implemented with the assistant of GSDM.
28.	The Accounting Officer must put in place proactive measures that will ensure that cemeteries are maintained across the board which is an outcry that was shared by the public in every hearing the Municipal Public Accounts Committee conducted this March 2022, and explore alternative means of de weeding, like use chemical methods.	3080m2 was attended through resealing and patching of potholes is on-going through jet patcher machine across the municipality areas.
29.	The municipality to maintain high mast lights to avert elements of criminality in areas like Tjakastad, Elukwatini and the Greater Empuluzi Area.	52 High mast light were attended during quarter 4 of 2021/22 financial year and the program is on-going.
30.	The municipality to intensify the enforcement of by-laws to mitigate risks and preservation of law and order, which could be impediments towards good governance.	Two by law enforcers were seconded.
31.	In a bid of enhancing service delivery, the Accounting Officer to consider an overhaul of the PMS Framework to ensure that good performance is incentivized/rewarded and to link PMS with incentive Studies have shown that working for a reward not only gets the job done, but also keeps employees motivated	For 2022/23 we are cascading performance management up to level 4, employees below level 4 we will be cascading from 2023/24.
32.	In terms of Section 44 of the Local Government: Municipal Systems Act (Act 32 of 2000), the Executive Mayor should note with concern the instance of malpractice where a target ('number of ring main units maintained') in the SDBIP was adjusted without proper authorization as detected by the Auditor-General. Such malpractice must be investigated by the Internal Audit Unit and provide the Municipal Public Accounts Committee with a report on the findings therein.	Investigation in progress.

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NO	RESOLUTION BY COUNCIL	PROGRESS
33.	The item is deferred to the next meeting of the Municipal Council	Item moved to the next council meeting..
34.	The department to device alternative means of conducting a satisfaction survey (which must be both internal and external) in order to gauge if the community and staff alike are happy with the services being rendered by the municipality.	Customer satisfaction surveys are distributed to all Unit Offices and all service points, we have noted that community members are reluctant to fill in the forms.
35.	The municipality to intensify the enforcement of by-laws to mitigate risks and preservation of law and order, which could be impediments towards good governance.	By-laws are being implemented and training will be provided to by-law enforcers in the new financial year.
36.	The directorate in collaboration with its Planning counterpart to finalize all outstanding township formalization processes in terms of spatial planning to enable the municipality to be able to legitimately bill and collect for services to improve revenue collection.	Service provider appointed for formalisation of Nhlazatshe 1.
37.	The directorate to intensify liaisons with a variety of social partners to solicit funding for some of the anchor projects in aid of the implementation of the LED Strategy and resuscitation of the local economy.	Request submitted to COGTA for assistance.
38.	As a vital contributor to the local economy, the directorate to develop a localised Tourism Sector Recovery Plan in a bid of reviving this crucial segment of the local economy.	Currently reviving the Local Tourism Organisation since it is now registered NPO, assisting the organisation in recruiting other tourism stakeholders.
39.	The directorate to follow up with the Department of Public Works, Roads and Transport for the donation of land in eManzana for purposes of building an additional cemetery.	Submission made to the Department of Public Works with the requested additional information.
40.	The directorate to fast track the formalisation of all outstanding areas to enable the municipality to amass revenue in terms of billing for services, rolling out of refuse removal and other sundry services.	Service provider appointed for formalisation of Nhlazatshe 1
41.	The directorate must put in place proactive measures that will ensure that cemeteries are maintained across the	Ongoing maintenance of cemeteries

Chapter 2

NO	RESOLUTION BY COUNCIL	PROGRESS
	board, and explore alternative means of de weeding, like use chemical methods.	
42.	The directorate, in conjunction with the Planning and Economic Development department, to finalize all processes of outstanding township establishments in a bid of rolling out waste removal services in other areas of the municipality as part of revenue enhancement and management of the environment.	Expansion of refuse removal has be identify refuse bins to be distributed
43.	The directorate to ensure that Ward Councillors sign the inspection form for all maintenance work being done on boreholes and transformers. This is in a bid of ensuring that the Ward Councillor is able to attest to the maintenance in community meetings.	The department has developed tracking controls on submission of POE for perusal prior the submission to the PMS office.
44.	The Strategic Planning resolutions be monitored on the monthly basis at Topman and report on implementation be submitted to Council on the quarterly basis	Departments report on a monthly basis by submission of monthly activity reports
45.	Council plays an oversight in the implementation of the Strategic Session resolutions.	Section 79 committees to provide oversight on all the matters
46.	The resolutions of the Strategic Planning to be incorporated in all other forums that the municipality is participating in.	Matters will be transferred to all relevant departments for implementation at the forums falling under the ambit
47.	Council approves the Standing Rules and Orders for meetings of Council and its Committees and the rules be submitted to Government printers for Gazetting.	A quotation was received; and payments will be processed by the Municipality for the document to be Gazetted accordingly.
48.	The Human Resources section to workshop Council on the HR Policies.	An information sharing session program will be developed to workshop all employees on the new developments,
49.	Departments that performed low need serious intervention by the Heads of Departments and the Accounting Officer.	
50.	The report be taken as a step forward to improve the Performance Management System Section and to	Payment will be processed in July.

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NO	RESOLUTION BY COUNCIL	PROGRESS
	capacitate the Section to deliver effectively.	
51.	The dispute resolution method provided above, be followed where needed.	Payment will be processed in July.
52.	Council approves the payment of performance reward bonuses of 5 % to 14% to deserving employees.	Payment will be processed in July.
53.	Council approves the implementation of Government Gazette No. 46470 of 2 June 2022 on the determination of the upper limits of the salaries, allowances, and benefits for members of Municipal Councils for the 2020/2021 financial year.	Awaiting for Concurrence from the MEC.
54.	Concurrence be sought from the MEC for COGTA before the implementation of the notice.	Documents have been submitted to the MEC CoGTA seeking for concurrence.
55.	Council reimburses the non-returning Members of Council the three percentage that they would have been entitled to between 01 July 2021 to 08 November 2021.	This will be done once the concurrence has been received.
56.	Council mandates the Accounting Officer to enter into an employment contract and performance contract with the appointed Directors.	The appointed candidates will sign their employment contracts on the 1st of August 2022 since their employment is effective from the 1st of August 2022.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of the MFMA (2003), Section 60(b), the municipal manager of a municipality is the accounting officer of the municipality for the purposes of the Act and must provide guidance on compliance with the Act to political structures, political office bearers, and officials of the municipality, and any entity under the sole or shared control of the municipality.

The Municipality comprises five administrative departments, namely Corporate Services, Financial Services, Community and Safety Services, Technical Services (including Project Management), and Planning and Economic Development Services. All the Departments are

Chapter 2

working towards achieving the goals of the Municipality; hence their day-to-day activities are linked to the IDP.

The IDP on its own is a plan without money; it must be funded to be implemented. It is therefore linked to the Annual Budget in a plan that is called the Service Delivery and Budget Implementation Plan (SDBIP).

T 2.2.1

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

Mr. M.S. Dlamini (01 July 2021 to 30 April 2022)

Mr. M.G.T. Mnisi (01 May 2022 to 31 May 2022)

Mr. M.E. Thabethe (01 June 2022 to 30 June 2022)

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: PLANNING AND ECONOMIC DEVELOPMENT

Mr. T.A. Lukhele (01 July 2021 to 31 March 2022)

Mr. A Thwala (01 April 2022 to 30 June 2022)

Chapter 2

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; and
- Human settlement; and town planning.

DIRECTOR: THE CHIEF FINANCIAL OFFICER (CFO)

Mr. M.G.T. Mnisi

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: PUBLIC SAFETY AND COMMUNITY SERVICES

Mr. J.W. Shabangu (01 July 2021 – 31 March 2022)

Mr. N Thabethe (01 April 2022 to 30 June 2022)

Duties:

- The overall administration of the Community and Safety Services Department;
- Management of waste removal;
- Support to Youth/Women/People Living with Disability;

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- Provision of sport and recreational facilities;
- Provision and management of:
 - Libraries;
 - Cemeteries; and
 - Parks and Gardens; and Environmental Health

DIRECTOR: CORPORATE SERVICES

Mr S.S. Sibeko

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: TECHNICAL SERVICES

Mr. M.P. Magubane

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);

Chapter 2

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

T2.2.2

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

SALGA, that sits on the National Intergovernmental Structures on behalf of municipalities and engages in policy deliberations, or legislative amendments, proposed bills, or any other matters that concern the local sphere of governance.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Executive Mayor and Municipal Manager participate in the Premier Coordinating Forum and the MunMec structures.

T 2.3.2

Chapter 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

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

Chapter 2

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 municipally-related event is scheduled, the most common 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

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

Ward Committees report to the office of the Speaker. They are required to meet once a month and submit reports to the office of the Speaker, who escalates issues raised to the Municipal Manager in order to have the various departments attend to them.

T 2.4.2

Chapter 2

Public Meetings				
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors'	Issue addressed (Yes/No)	Frequency of feedback given to community
Ward Committee Meetings	Monthly	24	Yes	Monthly
Mayoral Izimbizo	Monthly	2	Yes	Semi-annually
IDP representative forums	September October-December	2	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.

Councillors 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 inputs are taken into consideration when the IDP or Budget is being finalised.

T 2.4.3.1

Chapter 2

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
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?	Yes
* Section 26 Municipal Systems Act 2000 T 2.5.1	

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COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Municipalities have a duty, in terms of Section 152(1)(a) of the Constitution (1996), to provide a democratic and accountable government for local communities. The hallmark of a democratic and accountable government is good governance, which is characterised by political and administrative stability; functional governance and oversight committees, effective systems of internal control such as internal audit committees, risk management and audit committees, IT governance, anti-corruption measures, and functional intergovernmental relations forums, among others. This section provides a summary of the analysis of our municipalities in terms of good governance, focusing on the characteristics of good governance outlined above.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk management is a key part of corporate governance. It is the way an organisation 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 organisation 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 demonstrate 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 is prepared as a reflection of the work performed during the 2021/22 financial year, which ended 30 June 2022. 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

Chapter 2

municipal manager must take all reasonable steps to ensure, among others, that the municipality has and maintains.

In order 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 2021/22 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 (8) 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. Global pandemic (infection with the Corona virus/COVID-19).
6. Inadequate institutional transformation.
7. Inadequate economic growth.
8. Unavailability of land for development.

T 2.6.1

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.

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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

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 principles of this policy are to give 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.

All contracts awarded during the current financial reporting period were reported quarterly to Council and published on the municipal website.

T 2.8.1

Chapter 2

2.9 BY-LAWS

COMMENT ON BY-LAWS:

There were no new by-laws introduced during the current year under review.

T 2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report for 2020/21	Yes
The annual report 2021/22 published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2021/22) and resulting scorecards	Yes
All service delivery agreements 2021/22	Yes
All long-term borrowing contracts 2021/22	Yes
All supply chain management contracts above a prescribed value R200 000 for 2022/22	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 2021/22	Yes
Contracts agreed in 2021/22 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 2021/22	Yes
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/22	Yes

Chapter 2

T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipality complied with the website requirements.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

There were no community surveys conducted during the financial year.

T 2.11.1

Chapter 3

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

In terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) (the MSA), a municipality must prepare for each financial year an annual performance report reflecting the performance of the municipality and of each external service provider during that year, and in terms of section 127 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (the MFMA).

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes water; waste water (sanitation); electricity; waste management; 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.

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.

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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

3.1. WATER PROVISION

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 to almost 95% of households (47,705 households within the RDP standard) despite difficult conditions due to the majority of households being located in rural towns and villages. And many of them are surrounded by sparsely populated areas that are outside the bulk water infrastructure, and so a different approach was taken by

Chapter 3

providing water to those areas through the use of water tankers and boreholes. The Lusushwane Regional Bulk Water Scheme project has started and should assist parts of the areas currently supplied by boreholes and water tankers.

The challenges remain: the cost of water treatment operations, the ever-increasing Eskom bills for the Water Treatment Plants at Carolina, Elukwatini and Empluluzi, and the raw water source at the Methula and Mooiplaas Water Scheme drying up in winter. Another challenge is the financing of the operation and maintenance of water infrastructure. Furthermore, the Municipality's inability to collect sufficient revenue and enforce the Credit Control Policy, particularly in the Eskom-supply areas, results in financial constraints, which adversely affect its ability to adequately maintain the water infrastructure. The following capital projects were funded by MIG/WSIG and RBIG and approved for the 2021/22 financial year:

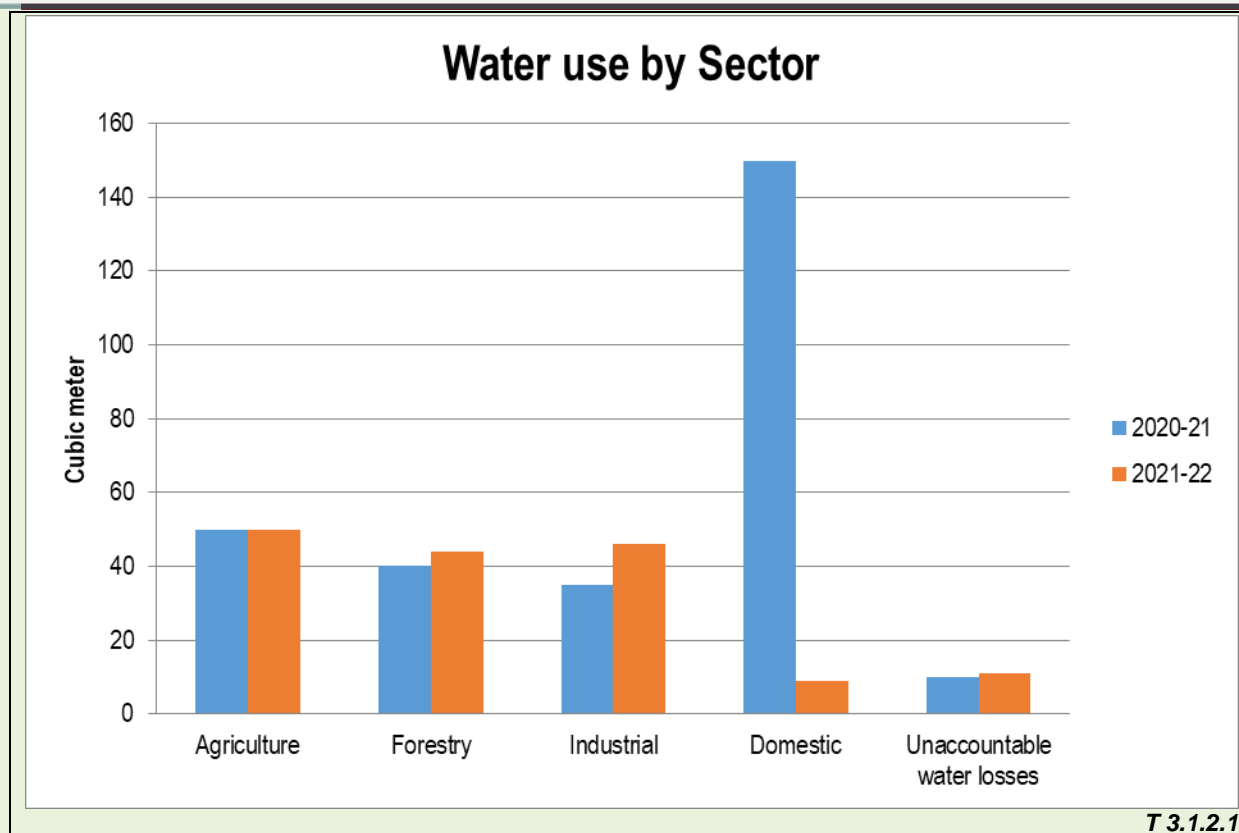
- Upgrading of Eerstehoek, Empuluzi and Methula water bulk supply.
- Upgrading of Carolina water treatment works.
- Non-Revenue Water and Revenue Enhancement Programme for the Schemes.
- Replacement of AC pipes at Empuluzi water scheme.

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2020/21	0	0	0	44 124	0
2021/22	0	0	0	44 124	0

T 3.1.2

Chapter 3



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.

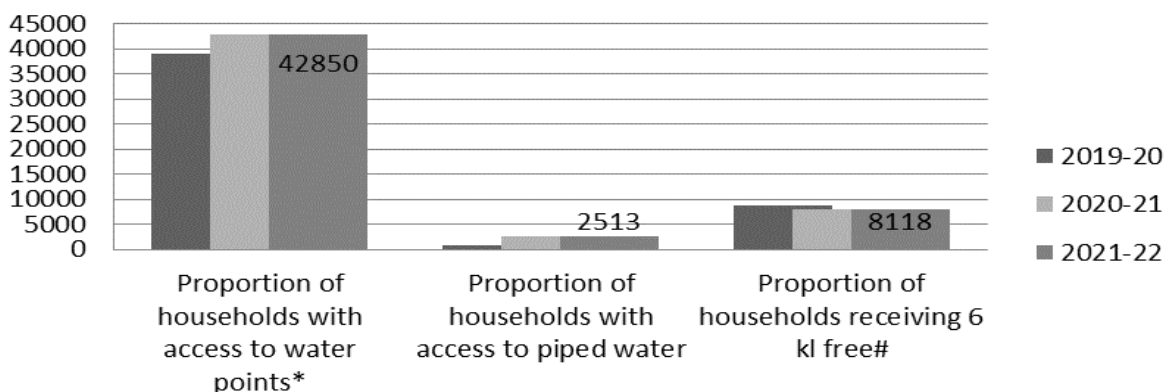
T 3.1.2.2

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Water Service Delivery Levels				
Households				
Description	2018/19	2019/20	2020/21	2021/22
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	10,306	12 429	12 429	20 240
Piped water inside yard (but not in dwelling)	23,469	28 303	28 303	22 644
Using public tap (within 200m from dwelling)	5,248	6 330	6 330	4 821
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	39,023	47 062	47 062	47 705
<i>Minimum Service Level and Above Percentage</i>	82%	88%	88%	89%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	8 682	6 418	6 418	5 775
No water supply				
<i>Below Minimum Service Level sub-total</i>	8,682	6,418	6 418	5 775
<i>Below Minimum Service Level Percentage</i>	18%	12%	12%	11%
Total number of households*	47 705	53 480	53 480	53 480
* - To include informal settlements				T 3.1.3

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Access to Water



* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute

6,000 litres of potable water supplied per formal connection per month

T 3.1.5

Employees: Water Services

Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	26	28	21	7	25%

T3.1.7

Chapter 3

Financial Performance 2021-22: Water Services					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11 833	47 283	46 501	46 501	2%
Expenditure	121 494	95 923	124 048	124 048	29%
Total Operational Expenditure	121 494	95 923	124 048	124 048	29%
Net Operational Expenditure	-109 661	-48 640	-77 547	-77 547	-59%
T 3.1.8					

Capital Expenditure 2021-22: Water Services					
R' 000					
Capital Projects	2021-22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	336 608	335 259	329 259	2%	
Upgrading of Carolina	11 000	3 500	936	91%	936

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Capital Expenditure 2021-22: Water Services					
R' 000					
Capital Projects	2021-22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Water Treatment Works: Phase 4					
Replacement of AC Pipes at Ekulindeni Water Scheme	3 000	3 596	3 596	20%	5 467
Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM	64 000	64 000	64 000	0%	64 000
Replacement of AC pipes in Empuluzi Water Scheme	0	5 555	2 120	100%	2 120
Upgrade of Eerstehoek, Empuluzi and Methula Bulk Water Supply	258 608	258 608	258 608	0%	258 608
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
					T 3.1.9

Chapter 3

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Technical service department budgeted for R336m on water capital projects for the year under review, the original budget was subsequently adjusted to R335m and the actual expenditure at year end was R329m.

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The proportion of households with access to basic sanitation is 91%, which is more than 43,000 households. However, approximately over 10 000 households (5%) are still below the minimum service level. Province has directed that municipalities explore alternative sanitation technology to the VIP System. The Municipality has piloted the installation of Smartsan toilets in five (5) wards as an alternative sanitation option. However, an amount estimated at R2,5-billion is required to roll out water-borne sanitation, especially in the rural and deep rural areas.

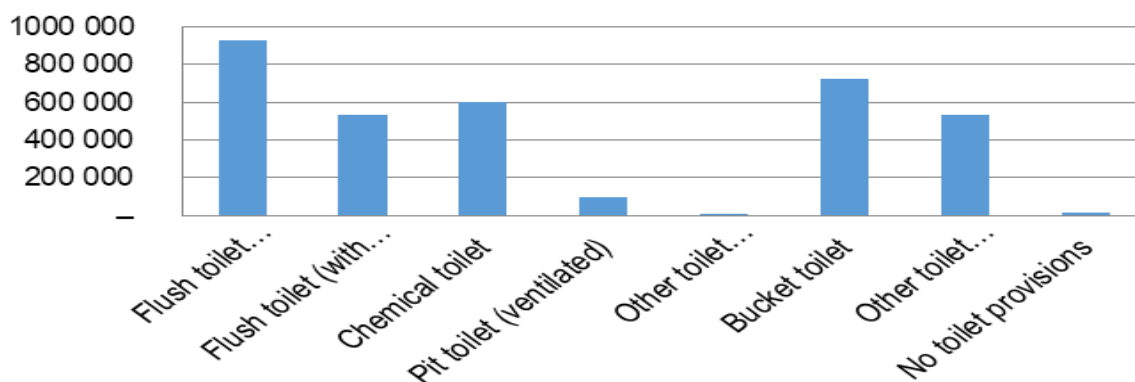
The following capital projects were funded by MIG/DWS and approved for the 2021/22 financial year:

- Upgrading of Empuluzi Waste Water Treatment Works (WWTW)
- Upgrading of Elukwatini Waste Water Treatment Works (WWTW)
- Installation of Smartsan or Environsan Toilets

T 3.2.1

Chapter 3

Sanitation/Sewerage (above minimum level): 2021-22



T 3.2.2

Sanitation Service Delivery Levels

*Households

Description	2020/21	2021/22
	Outcome	Actual
	No.	No.
<u>Sanitation/sewerage:</u> (above minimum level)		
Flush toilet (connected to sewerage)	10 245	10 744
Flush toilet (with septic tank)	813	2032
Chemical toilet	1 500	2000
Pit toilet (ventilated)	26 519	20062
Other toilet provisions (above min.service level)	12 572	17100
<i>Minimum Service Level and Above sub-total</i>	51 649	51 938
<i>Minimum Service Level and Above Percentage</i>	96,6%	97.1%
<u>Sanitation/sewerage:</u> (below minimum level)		

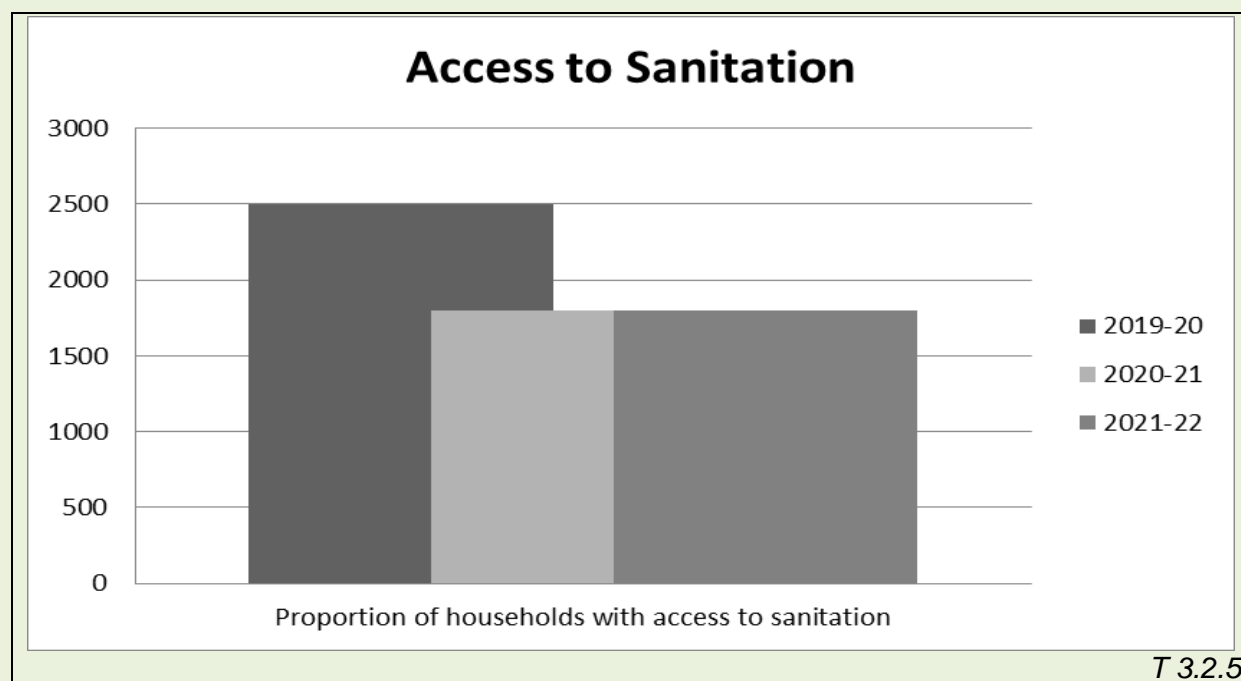
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Sanitation Service Delivery Levels		
*Households		
Description	2020/21	2021/22
	Outcome	Actual
	No.	No.
Bucket toilet	0	0
Other toilet provisions (below min.service level)	30	
No toilet provisions	1 801	1542
<i>Below Minimum Service Level sub-total</i>	1 831	1542
<i>Below Minimum Service Level Percentage</i>	3,4%	3.3%
Total households	53 480	53 480
*Total number of households including informal settlements	T 3.2.3	

Households - Sanitation Service Delivery Levels below the minimum				
Households				
Description	2020/21	2021/22		
	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.
Formal Settlements				
Total households	53 480	53 480	53 480	53 480
Households below minimum service level	1 831	1542	1542	1542
Proportion of households below minimum service level	3%	3%	3%	3%
Informal Settlements			53 480	53 480

Chapter 3

Households - Sanitation Service Delivery Levels below the minimum				
Households				
Description	2020/21	2021/22		
	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.
Total households	53 480	53 480	53 480	53 480
Households ts below minimum service level	5 206	5 206	5 206	5 206
Proportion of households ts below minimum service level	10%	10%	10%	10%
T 3.2.4				



Chapter 3

Employees: Sanitation Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	180	200	142	58	29%
T 3.2.7					

Financial Performance 2021-22: Sanitation Services					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	8 792	12 893	12 893	12 893	0%
Expenditure	2 010	951	951	951	0%
Total Operational Expenditure	2 010	951	951	951	0%
Net Operational Expenditure	6 782	11 942	11 942	11 942	0%
T 3.2.8					

Chapter 3

Capital Expenditure 2021-22: Sanitation Services					
R' 000					
Capital Projects	2021-22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	35 502	44 555	29 873	-21%	
Upgrading of Empuluzi Waste Water Treatment Works (WWTW)	12 000	14 500	14 500	-21%	14 500
Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	12 000	12 000	12 000	0%	12 000
Installation of Smartsan or Environsan Toilets	11 502	18 055	16 569	-44%	16 569
T 3.2.9					

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The municipality originally budgeted R35m for sanitation capital projects. The original budget was adjusted to 45m and the actual expenditure was 29m.

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION: 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

Chapter 3

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

- 89 transformers were maintained,
- 32 panels and substations maintained,
- 55 ring main units maintained,
- 446 public lights maintained,
- 212 Smart meters installed, and
- 71 km of the distribution network had been successfully maintained, 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;
- Exceeding of Notified Maximum Demand at Carolina Town Substation during peak season (winter);
- Shortage of own plant machinery (crane truck) prolong the response time;
- Shortage of personnel;
- Unavailability of Master Plan and Operation & Maintenance Plans; and
- Ageing of infrastructure.

Proposed Solutions

- Finalise the Electricity Master Plan and Operation and Maintenance Plan;
- Improve security measures at substations

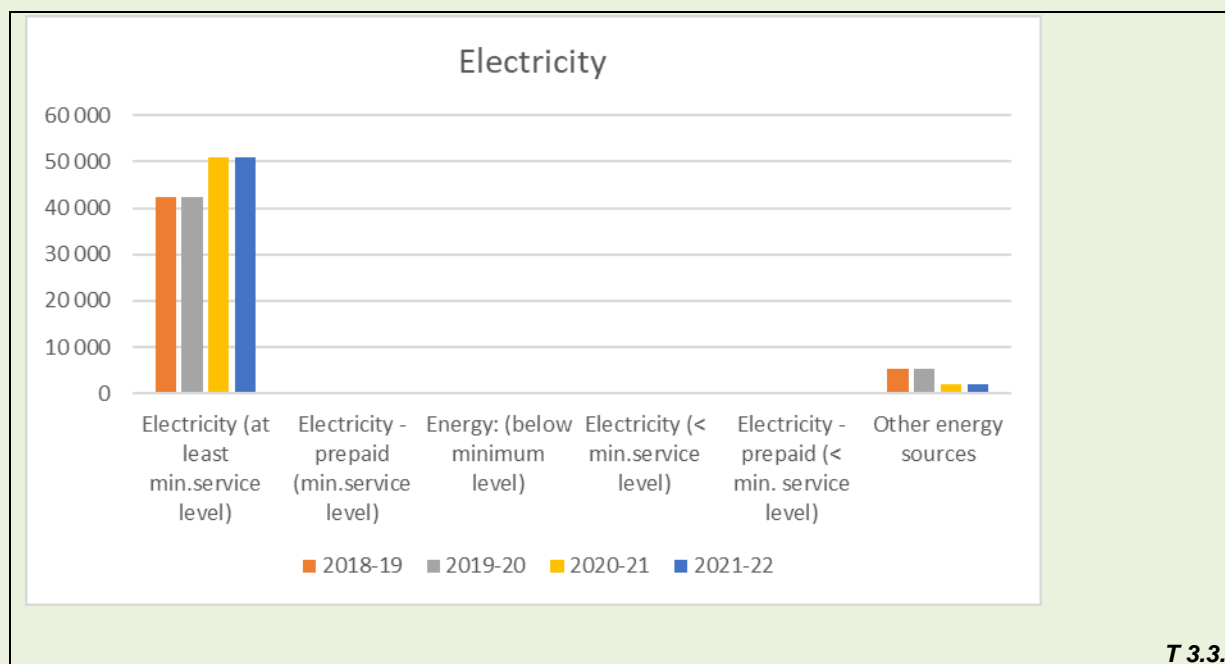
Chapter 3

- Procure own crane truck; and
- Adding of new personnel.

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	Households	
Description	2020/21	2021/22
	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>		
Electricity (at least min. service level)	50 998	50 998
Electricity - prepaid (min. service level)	309	712

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Electricity Service Delivery Levels	Households	
Description	2020/21 Actual	2021/22 Actual
<i>Minimum Service Level and Above sub-total</i>	51 307	51 710
<i>Minimum Service Level and Above Percentage</i>	95,9%	98%
<u>Energy:</u> (below minimum level)		
Electricity (< min. service level)	271	271
Electricity - prepaid (< min. service level)	0	0
Other energy sources	1 902	1 872
<i>Below Minimum Service Level sub-total</i>	2 173	1 800
<i>Below Minimum Service Level Percentage</i>	4,1%	3,0%
Total number of households	53 480	53 480
T 3.3.3		

Chapter 3

Households - Electricity Service Delivery Levels below the minimum		Households		
Description	2020/21	2021/22		
	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements				
Total households	53 480	53 480	53 480	53 480
Households below minimum service level	2 173	1 800	1 800	1 800
Proportion of households below minimum service level	4%	3%	3%	3%
Informal Settlements				
Total households	53 480	53 480	53 480	53 480
Households below minimum service level	1 902	1 800	1 800	1 800
Proportion of households below minimum service level	4%	3%	3%	3%
T 3.3.4				

Chapter 3

Employees: Electricity Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	9	20	8	12	60%
T 3.3.6					

Financial Performance 2021-22: Electricity Services					
					R'000
Details	2020-21	2022-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	24 024	43 544	43 544	43 544	0%
Expenditure:	116 948	126 218	146 096	146 096	16%
Total Operational Expenditure	116 948	126 218	146 096	146 096	16%
Net Operational Expenditure	92 924	82 674	82 674	82 674	0%
T 3.3.7					

Chapter 3

Capital Expenditure 2021-22 Electricity Services					
R' 000					
Capital Projects	2021-22				
	Bud get	Adjust ment Budget	Actual Expendi ture	Varia nce from origin al budg et	Total Proj ect Valu e
Total All	19 968	34 468	34 468	-72%	
Installation of High mast lights	8 000	8 000	8 000	0%	8 000
Upgrading of Silobela Substation	8 468	22 600	22 600	0%	22 600
Electrification of Goedeheop farm, Ontbekend farm, Nkomeni and Emanzana	0	1 868	1 868	100%	1 868
Repairs and maintenance of highmast lights	3 500	3 500	3 500	0%	3 500
					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

There municipality originally budgeted 20m on electrical capital projects. The budget was subsequently adjusted to 35m and actual expenditure was 35m.

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

This section includes refuse collection, waste disposal, street cleaning, and illegal dumping control.

Environmental and Waste Management are constitutional obligations in terms of Section 24 of the National Environmental Management Act (2000) and oblige a municipality to provide and manage their waste disposal according to certain standards. Waste services is a structure that deals with refuse removal, street cleaning, waste disposal sites, clearing of the illegal dumps and maintenance of disposal sites.

The Municipality is presently collecting refuse from 13911 households out of 53 480 dwellers, including the formal and informal, in the following areas: Badplaas, Carolina, Elukwatini, Ekulindeni and Empuluzi.

The Municipality has a relatively high unemployment rate. This will have an effect on waste generation, as well as waste disposal as a service delivery. A higher unemployment rate results in the Municipality receiving fewer rates and taxes; as a result, the Municipality will have fewer resources available for an effective waste collection service. It often increases the number of informal recyclers at the waste disposal site.

The Municipality has a few waste management vehicles and is also facing a severe shortage of equipment for both collection and waste disposal operations. There is no equipment for the operation of any of the waste disposal sites; hence, the municipality has outsourced the Carolina landfill site operation and maintenance.

Major achievements include:

- Provision of the kerb-side waste removal to 13 611 households weekly.
- The operation and maintenance of Carolina landfill site.
- Installation of 'No Dumping' signs.
- Provision of additional skip bins.
- Proper maintenance of equipment's and tools.
- Distribution of 202 household bins.

Chapter 3

- Control of illegal dumps.
- Procurement of Compactor Truck and Street Sweeper machine.

Major challenges include:

- Lack of household refuse bins at informal settlements.
- Unrehabilitated dongas that lead to dumping spots.
- Breakdown of Waste Equipment.
- Construction of Transfer station.

Progress made with waste disposal, street cleaning, and recycling:

- **Street Cleaning:** 4.2 km streets and main roads are swept daily.
- **Recycling:** Currently no recycling process, only monitoring of informal recyclers

Top three (3) service delivery priorities and the impact on them during the year:

- Waste Management - ensured that refuse removal and street cleaning services are properly operated and managed.
- Minimised illegal dumping and littering.
- Ensured that the refuse removal service in peri-urban and rural areas was rendered.

Measures taken to improve performance and the major efficiencies achieved during the year:

- The finalisation of the reviewed IWMP.
- Erected “No Dumping” signs.
- Carolina Landfill Site.
- Environmental Awareness Campaigns.
- Identification and response to communities living in poverty and are deficient in this basic service.
- Skip bins were placed at strategic places for communal use in areas like informal settlements.

T 3.4.1

Chapter 3

Solid Waste Service Delivery Levels		Households	
Description		2020/21	2021/22
		Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>			
Removed at least once a week		8 041	12909
<i>Minimum Service Level and Above sub-total</i>		8 041	12909
<i>Minimum Service Level and Above percentage</i>		15,0%	27
<u>Solid Waste Removal: (Below minimum level)</u>			
Removed less frequently than once a week		516	
Using communal refuse dump		3 522	
Using own refuse dump		33 922	
Other rubbish disposal		119	
No rubbish disposal		7 360	
<i>Below Minimum Service Level sub-total</i>		45 439	45439
<i>Below Minimum Service Level percentage</i>		85,0%	73
Total number of households		53 480	53 480
T 3.4.2			

Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum		Households		
Description	2020- /21	2021/22		
	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements				
Total households	53 480	10787	10787	8504
Households below minimum service level	38 079	38495	38495	47705
Proportion of households below minimum service level	71%			
Informal Settlements				
Total households	53 480	65417	65417	65417
Households below minimum service level	7 361			
Proportion of households ts below minimum service level	14%			
T 3.4.3				

Chapter 3

Employees: Solid Waste Management Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	34	78	73	5	20%
T3.4.5					

Financial Performance 2020-21: Solid Waste Management Services					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	9 637	11 047	11 047	11 047	0%
Expenditure	14 809	11 990	11 170	11 170	7%
Total Operational Expenditure	14 809	11 990	11 170	11 170	7%
Net Operational Expenditure	-5 172	-943	-123	-123	87%
T 3.4.7					

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:
The operational budgeted expenditure for waste management services was 93% spent during the year under review.
T 3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION: HOUSING

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.

T 3.5.1

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality supplies free basic electricity services to 6 488 registered indigent households.

T 3.6.1

Free Basic Services To Low-Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
			Access	%	Access	%	Access	%	Access	%
2020/21	53 480	53 480	1 759	3%	40 591	76%	4 322	8%	536	1%
2021/22	53 480	53 480	1 759	3%	40 591	76%	4 322	8%	536	1%

T 3.6.3

Chapter 3

Financial Performance 2021/22: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2020/21	2021/22			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	49 126	48 691	55 750	53 468	9%
Waste Water (Sanitation)	2 143	5 553	5 296	1 875	-196%
Electricity	56 393	81 480	84 828	37 255	-119%
Waste Management (Solid Waste)	3 997	9 857	9 268	4 703	-110%
Total	111 659	145 581	155 142	97 301	-50%
T 3.6.4					

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Free basic services are provided to qualifying indigent households. In the 2021/22 financial year, an average of 90% of qualifying households received free basic water and sanitation services, 16% of qualifying households in the Municipality's supply area (Carolina and part of Emanzana) received free basic electricity, and less than 1% of qualifying households received the discounted refuse removal service. Due to the rural nature of the municipal area, it is not possible to provide the refuse removal service to all households.

T 3.6.6

Chapter 3

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

The Public Works section is mainly responsible for the maintenance and upgrade of existing road infrastructure (gravel and surfaced), bridges, and storm water drainage systems in the entire Municipality. The maintenance involves activities such as blading, patching of potholes, construction of concrete water channels, laying of kerbs, and re-graveling in an effort to extend the life-span of the road infrastructure and also create a conducive and safe infrastructure for users. Currently, the Municipality has a total road network of about 649 km of which 81% are considered gravel roads, and most of the gravel roads are in a bad state and located in the rural areas of the municipality, as some are bladed by pipelines and eroded due to heavy rainfall.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

Mandate and Responsibility

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

Achievements

The Municipality achieved the following milestones related to roads:

- Created at least 282 job opportunities through the EPWP.
- Spent 100% of the EPWP grant.
- Repaired an area of 1055m² surfaces including re-surfacing of Carolina Town roads.
- Attended to at least 528 km of gravel roads through blading

Challenges

This section's main challenges continue to be the aging infrastructure and the lack of critical construction vehicles, such as graders and TLBs, as it becomes increasingly difficult to attend all planned maintenance programs and respond to special requests from the community.

Chapter 3

Furthermore, the immense demand for the construction of pedestrian bridges in deep rural areas remains a challenge for the municipality, and the section experienced abnormally heavy traffic on municipal-owned roads, which shortens the lifespan of infrastructure and development of many potholes, especially in Carolina.

Backlog

Considering the developed roads and storm water master plan of the municipality, it has been identified that there is an enormous backlog on road upgrades/construction (gravel to paved roads), especially on the road network that leads to public amenities and connects villages. Similarly to the demand for pedestrian bridges is also considered a backlog that needs to be attended to urgently.

T 3.7.1

Gravel Road Infrastructure				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2020/21	528	0	0	528
2021/22	528	0	0	528
				T 3.7.2

Chapter 3

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Kilometres Tar roads maintained
2020/21	128	0	0	0	1.2 kms
2021/22	128	0	0	12 964 m ²	1,055 kms
T 3.7.3					

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2019/20	0	0	469	30 000	0	1 117
2020/21	0	0	1117	9 367	0	1 117
2021/22	0	0	1117	25 000	0	1 117
T 3.7.4						

Chapter 3

Employees: Road Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	26	28	21	7	25%
T3.7.7					

Financial Performance 2021-22: Road Services					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure	18 966	12 555	13 713	13 713	-9%
Total Operational Expenditure	18 966	12 555	13 713	13 713	-9%
Net Operational Expenditure	18 966	12 555	13 713	13 713	-9%
T 3.7.8					

Chapter 3

Capital Expenditure 2020-21: Road Services					
R' 000					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25 000	23 141	19 748	26%	
Construction of Dundonald Road	0	6 000	5 282	100%	6 000
Construction of Silobela Road	10 000	5 300	3 162	68%	5 300
Construction of Nhlazatshe Access Road	8 000	10 992	10 992	-37%	10 992
Construction of Fernie Ringroad Road	7 000	849	312	96%	849
T 3.7.9					

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The municipality budgeted R25m for roads and storm water during the year under review. The budget was subsequently adjusted to 23m and the actual expenditure was 20m.

T 3.7.10

Chapter 3

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING AND PUBLIC BUS OPERATION)

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 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

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

T 3.9.1

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The Municipality did not complete any stormwater systems during the year under review.

T 3.9.6

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning, and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Municipality has the following key performance areas within its Planning and Economic Development Department: Social Development, Economic Development, Job Opportunities, Employment Equity, Disaster Management, Healthy and Safer Environment, Crime Management, and Safer Roads.

T 3.10

Chapter 3

3.10 PLANNING

INTRODUCTION TO PLANNING

The Municipality is responsible for the planning of municipal infrastructure and for utilising capital allocations to deliver the infrastructure. The PMU will ensure that infrastructure planning is done efficiently and effectively, and that capital funds are used to build the necessary internal project management capacity as well as to deliver infrastructure.

The overall roles and responsibilities of the unit is detailed as follows:

Infrastructure development planning, project identification, financial planning and management of capital funds, project feasibility studies, project planning, project implementation, including community participation and awareness, construction, capacity building, and mentoring support, project management, capacity expansion in the Unit, monitoring and evaluation of the capital programme and projects, and compilation and submission of reports in the formats prescribed for the capital programme.

T 3.10.1

Applications for Land Use Development

Detail	Category 1 Land Use Application Formalisation of Townships & Establishment of Township		Category 2 Land Use Application(Rezoning, Consolidation; subdivision; Special Consent)		Built Environment- Building Plans	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Planning application received	3	2	6	28	53	15
Determination made in year of receipt	All still in progress	All still in progress	6	23	53	15
Determination made in following	All still in	All still in	6	5	None	None

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Applications for Land Use Development						
Detail	Category 1 Land Use Application Formalisation of Townships & Establishment of Township		Category 2 Land Use Application(Rezoning, Consolidation; subdivision; Special Consent)		Built Environment- Building Plans	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
year	progress	progress				
Applications withdrawn	None	None	None	None	None	None
Applications outstanding at year end	3	2	2	3	0	0
T 3.10.2						

Employees: Planning Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	4	11	6	5	45%
T 3.10.4					

Chapter 3

Financial Performance 2021-22: Planning Services					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	86 036	212	212	212	0%
Total Operational Expenditure	16 683	21 227	17 403	17 403	18%
Net Operational Expenditure	69 353	-21 015	-17 191	-17 191	18%
T 3.10.5					

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The municipality did not get any township established during the year under review due to time delay in the rezoning process. However, three land audits were conducted during the year.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Municipality offers tourists a wide range of tourism activities that are available within the Municipal area and its immediate areas. Tourism and agricultural opportunities are still underdeveloped but have a huge potential to contribute to the economic development of the Municipality. The establishment of the Malolotja Trans-frontier and Songimvelo Game Reserve would add to tourist attractions. Makhonjwa Mountain has been registered and

Chapter 3

declared the tenth World Heritage Site. The Mpumalanga Tourism and Parks Agency and the Department of Environmental Affairs constructed some accommodation facilities in the Nooitgedacht Nature Reserve. The accommodation facilities at Songimvelo Game Reserve were renovated in 2014 to boost the tourism sector. A new fence has been erected, and the renovation of staff accommodations has been funded by the national Department of Environmental Affairs. Another project proposed at the Vygeboom Dam is the Integrated Infrastructure Development Plan together with the Embhuleni Traditional Council. Through all of the afore-mentioned projects, local people have benefited from job opportunities.

T 3.11.1

Economic Activity by Sector			R '000
Sector	2011	2016	
Agriculture, forestry and fishing	1,5	104	
Mining and quarrying	2	64	
Manufacturing	63	106	
Wholesale and retail trade	52	254	
Finance, property, etc.	52	132	
Government, community and social services	25	264	
Infrastructure services	41	107	
Total	236,5	1031	
			T 3.11.2

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Economic Employment by Sector			
Sector	2019/20	2020/21	Jobs
	No.	No.	No.
Agric, forestry and fishing	20 000	25 000	30 000
Mining and quarrying	400 000	435 000	372 000
Manufacturing	320 000	300 000	270 000
Wholesale and retail trade	190 000	200 000	210 000
Finance, property, etc.	275 000	255 000	235 000
Govt, community and social services	300 000	310 000	320 000
Infrastructure services	400 000	430 000	450 000
Total	1 905 000	1 955 000	1 887 000
<i>T 3.11.3</i>			

COMMENT ON LOCAL JOB OPPORTUNITIES:

The Municipality implemented eleven (11) programmes for job opportunities during the year under review.

T 3.11.4

Chapter 3

Jobs Created during 2020/22 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)				
2020/21	75	0	75	Employee list from SMMEs and Co-Ops
2021/22	75	0	75	Employee list from Cooperatives
SMMEs supported (2020/21)	23	0	0	Employee list from SMMEs and Co-Ops
Co-operatives supported (2021/22)	15	0	0	Employee list from SMMEs and Co-Ops
T 3.11.5				

Chapter 3

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2019/20	50	200
2020/21	66	3 058
2021/22	66	282
* - <i>Extended Public Works Programme</i>	T 3.11.6	

Employees: Local Economic Development Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	4	5	5	0	0%
T 3.11.8					

Chapter 3

Financial Performance 2020-21: Local Economic Development Services					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	86 036	212	212	212	0%
Total Operational Expenditure	16 683	21 227	17 403	17 403	18%
Net Operational Expenditure	69 353	-21 015	-17 191	-17 191	18%
T 3.11.9					

Capital Expenditure 2021-22: Economic Development Services					
R' 000					
Capital Projects	2021-22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
T 3.11.10					

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

There were no planning and economic development programmes planned for the year under review.

T 3.11.11

COMPONENT D: COMMUNITY AND 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 AND SOCIAL 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

3.12 LIBRARIES, ARCHIEVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, AND OTHER (THEATRES, ZOOS, ETC.)

INTRODUCTION TO LIBRARIES, ARCHIEVES, MUSEUMS, GALLERIES, AND COMMUNITY FACILITIES

The Department is responsible for the provision of library services to the community.

T3.12.1

Chapter 3

SERVICE STATISTICS FOR LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, AND OTHER (THEATRES, ZOOS, ETC.)

This service was achieved through seven (7) operational libraries stationed at Emanzana (Badplaas), 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 the majority of 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 was fortunate this financial year as the Khululwazi (Empuluzi) and Silobela (Carolina) libraries were revamped and renovated in accordance with standards as stipulated by the Department of Culture, Sports and Recreation.

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

Employees: Libraries, Archives, Museums, Galleries, Community Facilities, Other					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	34	49	36	13	26%
T 3.12.4					

Chapter 3

Financial Performance 2021-22: Libraries, Archives, Museums, Galleries, Community Facilities, Other					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	419	119	119	119	0%
Total Operational Expenditure	13 671	5 140	6 624	6 624	-29%
Net Operational Expenditure	-13 252	-5 021	-6 505	-6 505	-29%
T 3.12.5					

Capital Expenditure 2021-22: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	2021-22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Construction of Ekulindeni Sports field	0	0	0	0%	0
T 3.12.6					

Chapter 3

COMMENT ON THE PERFORMANCE OF LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER (THEATRES, ZOOS, ETC.) OVERALL:

The Municipality did not plan capital projects related to libraries, archives, museums, galleries, and community facilities etc.

T 3.12.7

3.13 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES AND CREMATORIALS

Background

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.

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.

Chapter 3

- (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

Employees: Cemeteries and Crematoriums					
Job Level	2020-21	2021-22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	34	49	36	13	26%

T 3.13.4

Chapter 3

Financial Performance 2021-22: Cemeteries and Crematoriums					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	419	119	119	119	0%
Total Operational Expenditure	13 671	5 140	6 624	6 624	-29%
Net Operational Expenditure	13 252	5 026	6 505	6 505	-29%
T 3.13.5					

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS 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 Ekulinden Cemetery.

T 3.13.7

Chapter 3

3.14 CHILD CARE, AGED CARE, AND SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Municipality did not have child care 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

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

Chapter 3

3.16 BIO-DIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES), AND OTHER (COASTAL PROTECTION ETC.)

INTRODUCTION TO 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

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

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

HIV and AIDS awareness campaigns were held in order to educate people about HIV and the AIDS pandemic.

T 3.17.7

Chapter 3

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Ambulance services were provided by the Department of Health.

T 3.18.

3.19 HEALTH INSPECTION, FOOD & ABBATOIR LICENSING & INSPECTION

INTRODUCTION TO HEALTH INSPECTIONS, FOOD AND ABATTOIR LICENCING, AND INSPECTIONS

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

T 3.19.1

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 AND 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 POLICE

INTRODUCTION TO POLICE

The main function of this section was to ensure safety for all road users through traffic control and it dealt with various patrol and court-related duties and traffic law enforcement. The Traffic Law Administration sub-section rendered administrative support to traffic control by collecting traffic fines and administering the execution of warrants and traffic summons.

T 3.20.1

Chapter 3

Traffic Data					
	Details	2020/21	2021/22		2022/23
		Actual No.	Estimate No.	Actual No.	Estimate No.
1.	Number of road traffic accidents during the year	186	186	186	186
2.	Number of by-law infringements attended	8	8	8	8
3.	Number of police officers in the field on an average day	nil	nil	nil	nil
4.	Number of traffic officers on duty on an average day	11	11	11	11
T 3.20.2					

Employees: Police Officers					
Job Level	2020/21	2021/22			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Total	34	49	36	13	34
T 3.20.4					

Chapter 3

Financial Performance 2021-22: Police					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 574	60	57	57	5%
Total Operational Expenditure	41 708	37 441	38 401	38 401	-3%
Net Operational Expenditure	-39 134	37 381	38 344	38 344	-3%
T 3.20.5					

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

There were no capital projects budgeted for traffic services during the year under review.

T 3.20.7

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

The Municipality has one fully-fledged fire station in Carolina, and a satellite fire station in Elukwatini; as well as an operational fire engine and three rescue vehicles. This shortage of fire-fighting equipment creates the challenge of late responses to fire calls, and in the current situation, the section can only handle two incidents at a time due to insufficient equipment.

Chapter 3

The Municipality has since entered into an agreement with a neighbouring municipality to assist during serious fires.

The main function of this section includes, but is not limited to:

- Attending to emergency calls;
- Extinguishing fires;
- Extricating trapped victims from vehicles;
- Rendering rescue operations;
- Conducting fire prevention inspections, risk assessment, and building plan assessment;
- Cleaning spillages at accidents scene; and
- Stabilising incident scenes.

T 3.21.1

Municipal Fire Service Data					
	Details	2019-20	2020-21		2021-22
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	340	-	367	-
2	Total of other incidents attended in the year	-	-	-	-
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	11	12	12	12
6	Total fire appliances at year end	5	5	5	8
7	Average number of appliance off the road during the year	8	8	8	10

Chapter 3

T 3.21.2

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The Municipality did not have any capital projects relating to fire during the year under review.

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

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc.					
Job Level	2020/21	20210/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	34	49	36	13	26%
T 3.22.4					

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

There were no capital projects planned for disaster management during the year under review.

T 3.22.7

COMPONENT H: 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, mobilisation 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.

T 3.23

Chapter 3

3.23 SPORT AND RECREATION

Employees: Sport and Recreation					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	2	2	2	0	0%
T 3.23.3					

Capital Expenditure 2021-22: Sport and Recreation					
R' 000					
Capital Projects	2021-22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Construction of Ekulindeni Sports field	0	0	0	0%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
T 3.23.5					

Chapter 3

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The municipality did not have capital projects planned for the year under review.

T 3.23.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES

The Municipality has financial services, human resource services, and ICT departments.

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes the Executive office (Mayor, Councillors, and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

There were no projects undertaken for the Council during the year under review.

T 3.24.1

Employees: The Executive and Council					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	61	142	125	17	12%
<i>T 3.24.4</i>					

Chapter 3

Financial Performance 2021-22: The Executive and Council					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Total Operational Expenditure	49 352	50 065	49 490	49 490	1%
Net Operational Expenditure	49 352	50 065	49 490	49 490	1%
T 3.24.5					

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

There were no capital projects for executive and council during the year under review.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION: FINANCIAL SERVICES

The Municipality strove to stabilise its finances. The Municipality recorded significant progress towards the goal of financial sustainability by its ability to generate a healthy net surplus, improve cash and cash equivalents, as well as its responsiveness to demand for service delivery. The Municipality was committed to sound financial management practices.

The year under review was challenging in terms of revenue collection due to accruals from the previous financial year. The municipality had an unspent conditional grant that was not cash-backed as of 30 June, 2022; the amount for the application for a cash-backed rollover was not approved by the National Treasury.

Our customers continue to face economic pressure, and as a result, collection levels for consumer debts are still depressed. The Municipality was only able to enforce the Debt Collection and Credit Control Policy in Carolina, Silobela, and Emanzana (Badplaas) Town, where all the services were provided. Eskom was engaged to assist the Municipality to enforce the Credit Control and Debt Collection Policy in Empuluzi, Ekulindeni, and Elukwatini. Eskom supplied electricity to all mines around Carolina. Government and businesses were the focus areas in terms of payment for municipal services. The average collection rate as of

Chapter 3

30 June 2020 was at 65%. Strategies were implemented that targeted businesses within the jurisdiction of the Municipality. A revenue indaba was held in May 2018, which came with clear programs in terms of enhancing municipal revenue.

Irregular expenditure was reported promptly to Council and also referred to the Municipal Public Accounts Committee (MPAC) for further investigation and ultimately to National Treasury.

Structure of the Department

Core Functions:

Accounting, Budgeting, Revenue Collection and Debt Management, Financial Management, Treasury, and Supply Chain Management.

T 3.25.1

Employees: Financial Services					
Job Level	2020/21	2022/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	55	70	63	7	25%
<i>T 3.25.4</i>					

Financial Performance 2021-22: Financial Services					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	953 078	974 908	931 078	1 002 730	8%
Total Operational	755 235	548 693	616 482	696 731	-13%

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Financial Performance 2021-22: Financial Services					
					R'000
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure					
Net Operational Expenditure	197 843	426 215	314 596	305 999	-3%
					T 3.25.5

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

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. The total number of employees was 556, and 467 posts were filled during the year under review.

Chapter 3

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.

The Municipality had sent officials and councillors on training: 28 learnerships were offered to the Department of Technical Services: Water and Sanitation Section; and 20 bursaries were awarded during the year; 10 senior managers completed the MFMP and received the final results; 11 finance staff members were enrolled with a view of obtaining the MFMP Training (in progress). 40 Councillors and 10 executive leaders were trained for computer literacy. Five (5) officials were trained for National Certificate Library and Information Services (NQF Level 5).

A number of municipal staff received training during the year under review as compared to 2019/20 and the budget was spent in implementing the Municipality's Skills Development Plan.

T 3.26.1

Employees: Human Resource Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	61	142	125	17	12%
T3.26.4					

Chapter 3

Financial Performance 2021-22: Human Resource Services					
R'000					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Total Operational Expenditure	199 489	171 135	178 549	214 255	-25%
Net Operational Expenditure	199 489	171 135	178 549	214 255	-25%
<i>Total employee costs is inclusive of remuneration of councillors</i>					T 3.26.5

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

Employees: ICT Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	8	9	8	1	11%
T3.27.4					

<p>COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:</p> <p>ICT did not have a capital project during the year under review.</p> <p>T3.27.7</p>
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3.28 PROPERTY, LEGAL, RISK MANAGEMENT, AND PROCUREMENT SERVICES

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

<p>INTRODUCTION TO PROPERTY, LEGAL, RISK MANAGEMENT, AND PROCUREMENT SERVICES</p> <p>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.</p> <p>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</p>
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implications of risk as we deliver our business for the benefit of the residents of our community.

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.

T3.28.1

Employees: Legal and Risk Management Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	5	7	5	2	29%
T 3.28.4					

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

Chapter 3

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

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

BACKGROUND

Section 46 of the Municipal Systems Act stipulates that the municipality must prepare, for each financial year, a performance report reflecting the performance of the municipality during that financial year, a comparison of performance against the targets set, and measures taken to improve performance. The annual performance report reflects the overall performance for the 2021-2022 financial year as well as the comparative financial year (2020-2021). The performance is based on the revised and approved Intergrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for the year under review.

OVERVIEW OF SERVICE DELIVERY ACHIEVEMENTS

The Municipality supplies basic water within the RDP standard to almost 95% of households (39,016 households), despite difficult conditions due to the majority of households being located in rural towns and villages.

The Municipality provides access to electricity to 98% of households, and households without electricity are now less than 1,800, according to the SA Statistics 2016 community survey; however, the maintenance of that infrastructure is a challenge due to the high cost of Eskom electricity that municipalities currently struggle to keep up with.

The proportion of households with access to basic sanitation is 91%, which is more than 43,000 households. However, approximately over 10 000 households (5%) continue to fall below the minimum service level.

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The Municipality has a road network of approximately 649 km, of which 81% are gravel roads, mostly located in rural areas. A total of 415 km of gravel roads were maintained, and an area of approximately 2212m² of tarred roads were repaired, two foot bridges were constructed during the year, three vehicle bridges were maintained, and 19 speed humps were constructed during the year under review.

The number of households in the Municipality, both formal and informal, amounted to 47,705. The number of households that received waste collection services in the Municipality amounted to 12,853 (27%). The rate of 27% is due to the significant number of municipal households being in rural areas. The Municipality has also achieved its targets for the six areas receiving refuse and also the five waste collection sites maintained, while 500 refuse bins were delivered to billable households.

The Project Management Unit (PMU) of the Municipality has successfully monitored 17 projects planned for the year under review. These projects consisted of seven water programs, three sanitation programs, three electrification programs, three road programs, and one public facility program.

SUMMARY OF PERFORMANCE TARGETS ACHIEVED PER STRATEGIC OBJECTIVE							
		2020-2021			2021-2022		
N o	Strategic Objective	No. of indicators Planned	No. of Indicators Achieved	% of indicators Achieved	No. of Indicators Planned	No. of Indicators Achieved	% of indicators Achieved
1.	To ensure good leadership and governance	34	26	74%	33	26	79%
2.	To ensure efficient and effective Information Communication Technology (ICT)	4	4	100%	4	4	100%
3.	To ensure transformed institution with competent and capable human capital	12	8	67%	10	9	90%
4.	To ensure financial healthier and sustainable environment	22	21	86%	23	21	87%
5.	To ensure provision of basic services	29	22	86%	25	22	88%
6.	To ensure sustainable Local Economic Development	17	8	47%	21	17	81%
Overall Performance		118	89	75%	116	99	85%

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
STRATEGIC OBJECTIVE 1: TO ENSURE GOOD LEADERSHIP AND GOVERNANCE									
KPA: POLICIES AND PROCEDURES									
1.	Number of Reviewed Policies	5	51	5	51	Achieved	Not applicable	Council Resolution	Not applicable
2.	Number of Departmental Service Charters Reviewed	1	2	1	1	Achieved	Not applicable	Council Resolution	Not applicable
KPA: GOVERNANCE STRUCTURES									
3.	Number of Departmental Strategies and Department Plans Approved	1	2	1	1	Achieved	Not applicable	Council Resolution	Not applicable
KPA: GOOD GOVERNANCE AND LEADERSHIP									
4.	Number of management reports submitted to relevant governance structures	60	381	60	381	Achieved	Not applicable	Minutes of meetings	Not applicable
5.	Council structures meetings attended (section 80, Mayoral and council)	34	50	34	56	Achieved	Not applicable	Minutes of meetings	Not applicable
6.	% of forum meetings attended as per invitation	100%	100%	100%	100%	Achieved	Not applicable	Attendance registers and proof of invitations	Not applicable
7.	% of internal audit findings resolved within 90 days after internal audit report has been issued.	100%	80%	100%	80%	Not Achieved	Budget constraints	Budget allocation for 2022/23 financial year	Budget provision will be made in the 2022/2023 financial year

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
8.	% of external audit findings resolved within legislated 60 days (31 January)	100%	100%	100%	98%	Not Achieved	Online leave was not fully implemented	Audit action plan	Acceleration plan has been developed to implement automation of leave for all departments
9.	Number of annual report approved within legislated timeframe.	1	1	1	1	Achieved	Not applicable	Council resolutions	Not applicable
10.	Number of unqualified audit opinion received	1	1	1	1	Achieved	Not applicable	2020-2021 Audit report	Not applicable
KPA: LEGAL AND COMPLIANCE									
11.	Percentage of Service Level Agreements (SLAs) finalised within 30 days of awarding the contract	100%	100%	100%	100%	Achieved	Not applicable	Register of SLA and copies of SLAs	Not applicable
12.	Number of by-laws reviewed and drafted	2	5	2	0	Not Achieved	The departments could not initiate any by-laws as a results no by-laws were developed.	Copy of policies reviewed and drafted.	To develop programme of action with clearly specifies the dates for implementation
KPA: PUBLIC PARTICIPATION									
13.	Number of IDP, Budget, process plan and framework plan approved by 31 August	1	1	1	1	Achieved	Not applicable	Council Resolution, Minutes	Not applicable
14.	Number of IDP process plan and consultations conducted	25	0	25	25	Achieved	Not applicable	Attendance Registers, Minutes	Not applicable

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
15.	Number of next year's IDP first draft approved by 31 March	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable
16.	Number of first draft IDP consultations conducted by 30 April	1	1	1	1	Achieved	Not applicable	Registers, Minutes	Not applicable
17.	Number of next year's IDP final draft approved by 31 May	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
18.	Number of Final IDP consultations conducted by 30 June	1	1	1	1	Achieved	Not applicable	Invitation to comment	Not applicable
KPA: MARKETING AND COMMUNICATION									
19.	Number of monthly internal newsletters produced	4	3	12	6	Not Achieved	The indicator was not achieved due to the relocation of Manager responsible to another responsibility	Copies of Newsletters on Facebook Page	The Acting will be appointed and the programme will be developed and monitored on a monthly basis
20.	Number of external quarterly newsletters produced	4	0	4	0	Not Achieved	The target was not achieved due the budget limitations	Copy of Newsletter	The budget will be allocated to ensure publication of quarterly newsletters
21.	Number of satisfaction surveys conducted	4	0	4	0	Not achieved	The target was not achieved due to non-response from municipal employees	Copies of the Completed forms	Employees will be encouraged to response during awareness campaigns
22.	Number of display of national symbols in	20	20	5	5	Achieved	Not	Pictures of symbols	Not

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	all buildings.					d	applicable	displayed	applicable
KPA: PERFORMANCE REPORTING									
23.	Number of next year's SDBIP approved before 30 June	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
24.	Number of PMS Frameworks approved by 30 September.	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable
25.	% of senior management's performance agreements approved by 31 July	100%	100%	100%	100%	Achieved	Not applicable	Performance agreements	Not applicable
26.	% of senior management's performance agreements submitted to relevant stakeholders by 14 August	100%	100%	100%	100%	Achieved	Not applicable	Proof of submission	Not applicable
27.	% of annual performance assessments of senior management by 30 July.	100%	0%	100%	100%	Achieved	Not applicable	Signed performance assessment	Not applicable
28.	Number of mid-year institutional performance evaluations conducted by 25 Jan	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable
29.	% of middle management employees with signed performance plans	100%	30%	100%	0%	Not Achieved	The implementation of the Staff Management Regulation was put on hold	Signed performance plans	The implementation of Staff Management Regulation will be implemented during 2022/2023 financial

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
									year
KPA: RISK MANAGEMENT									
30.	Number of risk assessment workshops conducted.	2	2	2	2	Achieved	Not applicable	Attendance registers	Not applicable
31.	Number of quarterly risk registers approved.	4	4	4	4	Achieved	Not applicable	Committee resolution/ minutes of meetings	Not applicable
KPA: INTERNAL AUDIT									
32.	Number of Internal Audit plans approved before reporting period	1	1	1	1	Achieved	Not applicable	Committee resolution. Minutes of meetings	Not applicable
33.	% of implemented IA plan.	80%	80%	100%	100%	Achieved	Not applicable	Internal audit progress reports	Not applicable
STRATEGIC OBJECTIVE 2: TO ENSURE EFFICIENT AND EFFECTIVE INFORMATION COMMUNICATION TECHNOLOGY (ICT)									
KPA: DATA INTEGRITY AND SECURITY									
34.	Number of Firewall and anti-virus installations completed.	1	1	1	1	Achieved	Not applicable	Monthly report from the service provider	Not applicable
35.	Number of monthly offsite backup storage conducted.	12	12	12	12	Achieved	Not applicable	Monthly activity report	Not applicable
36.	Number of compliance to Section 75 (MFMA) requirements in terms of the Website updating monthly	12	12	12	12	Achieved	Not applicable	Screenshots of uploaded documents	Not applicable

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
37.	Percentage of ICT related devices maintained	100%	100%	100%	100%	Achieved	Not applicable	Monthly reports	Not applicable
STRATEGIC OBJECTIVE 3: TO ENSURE TRANSFORMED INSTITUTION WITH COMPETENT AND CAPABLE HUMAN CAPITAL									
KPA: LEARNING AND DEVELOPMENT									
38.	Number of Workplace Skills Plan (WSP) and Annual Training Plan (ATP) to LG SETA before 30 April 2020	1	1	1	1	Achieved	Not applicable	Proof of submission	Not applicable
39.	Number of employees trained as per the WSP.	20	24	20	51	Achieved	Not applicable	List of employees trained	Not applicable
40.	Number of councillors trained as per the WSP	10	16	10	10	Achieved	Not applicable	List of councillors trained	Not applicable
KPA: MANAGEMENT OF VACANCIES									
41.	Number of critical, vacant and funded positions filled	15	52	15	28	Achieved	Not applicable	Offer letters	Not applicable
42.	Number of women, youth, racial groups and people with disability appointed	8	27	8	27	Achieved	Not applicable	Offer letters	Not applicable
43.	Number of female appointments in Senior Management positions.	0	0	1	0	Not Achieved	Target was not achieved due to the delays in recruitment processes	Offer letters	Female appointment at Senior Management level took place made after year end
44.	Number of female appointments in Middle Management positions	1	0	1	2	Achieved	Not applicable	Offer letters	Not applicable
45.	Staff turnover rate maintained below	5%	5%	5%	5%	Achieved	Not applicable	Calculation	Not applicable

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	5%							schedule	
46.	Number of intern positions filled.	5	0	5	5	Achieved	Not applicable	Appointment letters/ Adverts	Not applicable
KPA: LEAVE MANAGEMENT									
47.	Number of monthly leave registers approved	9	9	12	12	Achieved	Not applicable	Departmental leave books	Not applicable
STRATEGIC OBJECTIVE 4: TO ENSURE FINANCIAL HEALTHIER AND SUSTAINABLE ENVIRONMENT									
KPA: SUPPLY CHAIN MANAGEMENT (SCM)									
48.	Number of procurement plans approved by 30 May	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable
49.	Number of quarterly contract registers submitted to MMs office	4	1	4	4	Achieved	Not applicable	Contract registers	Not applicable
50.	% of bids awarded within 90 days reported to Council	85%	100%	85%	93%	Achieved	Not applicable	Contract register	Not applicable
KPA: REVENUE MANAGEMENT									
51.	Number of additional grants sourced	2	3	2	3	Achieved	Not applicable	Register of grants sourced	Not applicable
52.	Number of supplementary valuation rolls approved.	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
53.	% reduction in billing accuracy complains.	80%	80%	80%	80%	Achieved	Not applicable	Complaints register	Not applicable
54.	% own revenue collected	65%	65%	65%	65%	Achieved	Not applicable	Revenue report	Not applicable
55.	Revenue collected from investment properties	1 296 695	1 963 371	55 568	67 403,96	Achieved	Not applicable	Billing reports	Not applicable

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
56.	Revenue collected through issued traffic infringements summons	75 000	121 000	75 000	94 930	Achieved	Not applicable	Revenue report	Not applicable
KPA: EXPENDITURE MANAGEMENT									
57.	Percentage of operational expenditure spent	100%	100%	100%	90%	Not Achieved	The allocation for a data cleansing was only received in March 2022 and as result it was not possible to implement before the end of the financial year.	Expenditure report	Acceleration of implementation plan for data cleansing has been put in place and the implementation process is current in progress.
58.	Percentage of capital expenditure spent	90%	90%	90%	90%	Achieved	Not applicable	Expenditure report	Not applicable
59.	Maintenance of employee costs percentage over revenue	40%	21%	40%	37%	Achieved	Not applicable	Annual financial statements	Not applicable
60.	Number of final operating & capital expenditure budget approved before 31 May	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
61.	Percentage of budget spent on training	100%	100%	100%	100%	Achieved	Not applicable	Expenditure report	Not applicable
KPA: FINANCIAL MANAGEMENT									
62.	Number of reconciliations prepared	96	96	96	96	Achieved	Not applicable	Reconciliation files	Not applicable
63.	Improved current ratio to be within	1:1	6.5:1	1:1	1:1,39	Achieved	Not	Ratio computation	Not

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	accepted industry norm.					d	applicable	on schedule	applicable
KPA: UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIF)									
64.	Percentage reduction of unauthorised expenditure	5%	95%	5%	100%	Achieved	Not applicable	Annual Financial Statements	Not applicable
65.	Percentage reduction of irregular expenditure incurred during the financial year	5%	49,5%	5%	52%	Achieved	Not applicable	Annual Financial Statements	Not applicable
66.	Percentage reduction of fruitless and wasteful expenditure	5%	95%	5%	13,6%	Achieved	Not applicable	Annual Financial Statements	Not applicable
KPA: ASSET MANAGEMENT									
67.	Number of quarterly physical asset verification conducted of movable assets	4	4	4	4	Achieved	Not applicable	Asset Management Report	Not applicable
68.	Number of re-assessment of useful lives, residual values and impairment test conducted	1	1	1	1	Achieved	Not applicable	Asset register	Not applicable
KPA: DEBT MANAGEMENT									
69.	Reduction in average collection period	90 days	980 days	30 days	680 days	Not Achieved	The indicator was not achieved as a result of poor payment ratio due to low disposable income	Debtors age analysis	Acceleration of implementation plan for data cleansing and revenue enhancement strategy have been put in place and the

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
									implementation process is current in progress.
KPA: CREDITORS MANAGEMENT									
70.	Reduction in average payment period	30 days	30 days	30 days	30 days	Achieved	Not applicable	Creditors age analysis	Not applicable
STRATEGIC OBJECTIVE 5: TO ENSURE PROVISION OF BASIC SERVICES									
KPA: ACCESS TO ELECTRICITY									
71.	Number of transformers maintained	80	82	80	89	Achieved	Not applicable	Inspection sheets	Not applicable
72.	Number of public lights maintained	490	467	490	446	Not Achieved	Indicator was not achieved due to shortage of vehicles to cover all municipal wards	Inspection forms signed by councillors or Unit Managers	Procurement of additional vehicles for the maintenance team will be prioritised during 2022-2023 financial year
73.	Number of KMs of electrical network maintained	70	95,005	50	71,05	Achieved	Not applicable	Inspection sheets	Not applicable
74.	Number of panels and substations maintained	13	33	13	32	Achieved	Not applicable	Daily work forms or reports	Not applicable
75.	Number of Ring Main Units (RMU)	24	69	24	55	Achieved	Not applicable	Daily work forms	Not applicable
76.	Number of smart meters installed	150	168	200	212	Achieved	Not applicable	Register of smart meters	Not applicable
KPA: ACCESS TO WATER AND SANITATION									

Chapter 3

No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
77.	Number of boreholes repaired	42	50	50	56	Achieved	Not applicable	Job cards	Not applicable
78.	Number of pumps & Motors maintained	40	42	40	44	Achieved	Not applicable	Job cards,	Not applicable
79.	Number of meters of water network maintained	12 000	6626,4	3 000	3 526,27	Achieved	Not applicable	Job Cards	Not applicable
80.	Percentage of new households water connection received and responded to	100%	100%	100%	100%	Achieved	Not applicable	Applications register and Copies of application	Not applicable
81.	Percentage of findings on environmental impact responded to	100%	100%	100%	0	Not Achieved	The indicator was not achieved because there were no findings from the Water Board	Register of findings responded to	All directives will be responded to when received from the water board
KPA: ACCESS TO ROADS AND TRANSPORTATION SYSTEM									
82.	Number of KMs of gravel roads maintained	400	234,7	400	414,9	Achieved	Not applicable	Signed job cards	Not applicable
83.	Number of square meters of road repaired	500	531	600	2 212	Achieved	Not applicable	Signed Job cards	Not applicable
84.	Number of foot bridges constructed	2	2	10	2	Not Achieved	The indicator was not achieved due to the delays as a result of heavy rains as well as breakdown of yellow plant	Signed progress reports	The catch-up plan will be put in place to address the backlog as well as the prioritisation of procurement of additional yellow plant

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
85.	Number of vehicles bridges maintained	1	1	2	3	Achieved	Not applicable	Job cards	Not applicable
86.	Number of speed humps constructed.	10	19	10	19	Achieved	Not applicable	Signed progress report	Not applicable
KPA: WASTE MANAGEMENT									
87.	Number of areas receiving refuse removal services	6	6	6	6	Achieved	Not applicable	Trip Authorities and Weekly program	Not applicable
88.	Number of refuse bins supplied to billable households.	500	293	500	500	Achieved	Not applicable	List of beneficiaries	Not applicable
89.	Number of disposal sites maintained	5	5	5	5	Achieved	Not applicable	Weekly plans and trip authorities	Not applicable
90.	Number of cemeteries maintained	6	6	6	6	Achieved	Not applicable	Trip Authority, Weekly program and Notice of internment	Not applicable
KPA: PROJECT MANAGEMENT									
91.	Number of water programs monitored	6	6	7	7	Achieved	Not Application	Site visit & monthly reports	Not Application
92.	Number of sanitation programs monitored	6	3	3	3	Achieved	Not Application	Site visit & monthly reports	Not Application
93.	Number of electrification programs monitored	3	4	3	3	Achieved	Not Application	Site visit & monthly reports	Not Application
94.	Number of roads programs monitored	3	4	3	3	Achieved	Not Application	Site visit & monthly	Not Application

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
								reports	
95.	Number of public facilities programs monitored	3	3	1	1	Achieved	Not Application	Site visit & monthly reports	Not Application
STRATEGIC OBJECTIVE 6: TO ENSURE SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT									
KPA: SOCIAL DEVELOPMENT									
96.	Number of employee wellness programmes conducted.	12	13	12	8	Not Achieved	The indicator was not achieved due to COVID limitations as some programmes could not be implemented	Attendance register	The department will put a plan in place to catch up as COVID restrictions have been lifted.
97.	Number of personnel/ Skills development	9	3	9	6	Not Achieved	The target was not achieved due to the shortage of construction regulation trainings offered by external service providers during the financial year	Proof of attendance	The department will explore the availability of other training mechanisms that may be available during the state of disaster currently facing the country.
98.	Number of sports and cultural events organised for the community	4	2	4	6	Achieved	Not applicable	Register of sports and cultural events	Not applicable
99.	Number of Moral Regeneration Movement	8	1	8	14	Achieved	Not applicable	Register of programs	Not applicable

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	structures supported							conducted	
KPA: ECONOMIC DEVELOPMENT									
100.	Number of LED strategy projects implemented	1	1	1	11	Achieved	Not applicable	LED strategy	Not applicable
101.	Number of Co-ops offered support	40	12	24	128	Achieved	Not applicable	Register of Co-ops and SMMEs offered support	Not applicable
102.	Number of tourism awareness campaigns conducted	12	4	12	22	Achieved	Not applicable	Attendance registers, Reports.	Not applicable
KPA: LAND USE MANAGEMENT									
103.	Number of cemeteries established	1	0	2	0	Not Achieved	The indicator was not achieved due to the delays in the identification of the land	Proclamation	The relevant authorities will be engaged on time to fast track the process of establishing cemeteries needed
104.	Number of Land-audit conducted and finalised	1	0	1	3	Achieved	Not applicable	Attendance registers, Reports.	Not applicable
105.	Percentage of RDP houses Monitored	100%	100%	100%	100%	Achieved	Not applicable	Attendance Registers	Not applicable
KPA: JOB OPPORTUNITIES									
106.	Number of programmes implemented for job opportunities	4	4	4	11	Achieved	Not applicable	Attendance registers, Reports	Not applicable

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
107.	Number of employment Equity Report (EER) submitted before 15 January	1	1	1	1	Achieved	Not applicable	Proof of submission	Not applicable
KPA: DISASTER MANAGEMENT									
108.	% of disaster incidents of attended	100%	100%	100%	100%	Achieved	Not applicable	Callout notices	Not applicable
109.	Number of disaster awareness programme conducted	4	9	4	17	Achieved	Not applicable	Attendance registers	Not applicable
KPA: HEALTHY AND SAFER ENVIRONMENT									
110.	Number of monthly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	12	12	12	4	Not Achieved	The target was not achieved due to the fact that the OHS reports were prepared on a quarterly basis as opposed to monthly basis	Signed OHS reports	OHS reports will be prepared on a monthly basis to align with the SDBIP
111.	Number of health and safety inspections and awareness's conducted	12	15	12	27	Achieved	Not applicable	Copy of the reports and registers to serve as POE	Not applicable
112.	Number of HIV and AIDS campaigns conducted	4	1	4	5	Achieved	Not applicable	Attendance registers	Not applicable
113.	Number of library awareness programme implemented	30	2	30	35	Achieved	Not applicable	Register of programmes implemented	Not applicable

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No	Key Performance Indicator	2020-2021		2021-2022		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
114.	Number of environmental campaigns conducted	4	8	4	14	Achieved	Not applicable	Attendance registers	Not applicable
KPA: TRAFFIC MANAGEMENT									
115.	Number of traffic law enforcement programmes implemented	12	9	12	16	Achieved	Not applicable	Register of programmes	Not applicable
116.	% increase in traffic fines issued	20%	-0,7%	20%	20%	Achieved	Not applicable	Register of fines issued	Not applicable

Chapter 4

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

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 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER, AND VACANCIES

Employees					
Description	2020/21	2021/22			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water and Waste Water (Sanitation)	180	200	142	58	29%
Electricity	9	20	8	12	60%
Waste Management	34	78	73	5	6%

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Employees					
Description	2020/21	2021/22			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Project Management	6	10	8	2	20%
Housing	3	3	3	0	0%
Waste Water and Roads (Storm water Drainage)	26	28	21	7	25%
Finance	55	70	63	7	10%
Fleet and Transport Management	5	5	4	1	20%
Planning	4	11	6	5	0%
Local Economic Development	4	5	5	0	0%
Planning (Strategic & Regulatory)	N/A	N/A	N/A	N/A	N/A
Community & Social Services	N/A	N/A	N/A	N/A	N/A
Environmental Protection	N/A	N/A	N/A	N/A	N/A
Security and Safety	34	49	36	13	26%

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Employees					
Description	2020/21	2021/22			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Sport and Recreation	2	2	2	0	0%
Corporate Policy Offices and Other	61	142	125	17	12%
Totals	469	622	466	51	8%
T4.1.1					

Vacancy Rate: 2021/22			
Description	2021/22		
	Total Approved Posts	Vacancies	Vacancies
	No.	No.	%
Water and Waste Water (Sanitation)	200	58	29%
Electricity	20	12	60%
Waste Management	78	5	6%
Project Management	10	2	20%
Housing	3	0	0%
Waste Water and Roads (Stormwater Drainage)	28	7	25%

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Vacancy Rate: 2021/22			
Description	2021/22		
	Total Approved Posts	Vacancies	Vacancies
	No.	No.	%
Finance	70	7	10%
Fleet and Transport Management	5	1	20%
Planning	11	5	45%
Local Economic Development	5	0	0%
Planning (Strategic & Regulatory)	N/A	N/A	N/A
Community & Social Services	N/A	N/A	N/A
Environmental Protection	N/A	N/A	N/A
Security and Safety	49	13	26%
Sport and Recreation	2	0	0%
Corporate Policy Offices and Other	142	17	12%
Totals	622	51	8%
			T4.1.2

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2021/22	16	19	84%
			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Total vacancy rate as of 30 June 2022 was 10%. Turnover rate for the year under review was 84%.

T 4.1.4

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

Chapter 4

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%	
2.	Smoking Policy	100%	100%	
3.	Relocation Policy	100%	100%	
4.	Succession planning policy	100%	100%	
5.	Incapacity due to ill – health policy	100%	100%	
6.	Training and Development policy	100%	100%	
7.	Employee wellness programme	100%	100%	
8.	Employment equity	100%	100%	
9.	Attendance and punctuality policy	100%	100%	
10.	Employment Practice policy	100%	100%	
11.	HIV and AIDS policy	100%	100%	
12.	Incapacity due to poor work performance policy	100%	100%	
13.	Employees under the influence of intoxicating liquor policy	100%	100%	
14.	Occupational health and safety policy	100%	100%	
15.	Legal Aid policy	100%	100%	
16.	Name badge policy	100%	100%	
17.	Dress code policy	100%	100%	
18.	Exchange programme policy	100%	100%	
19.	Zero-harm policy	100%	100%	
20.	Human resource Strategy	100%	100%	
				T.4.2.1

Chapter 4

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 2020/2021 financial year.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

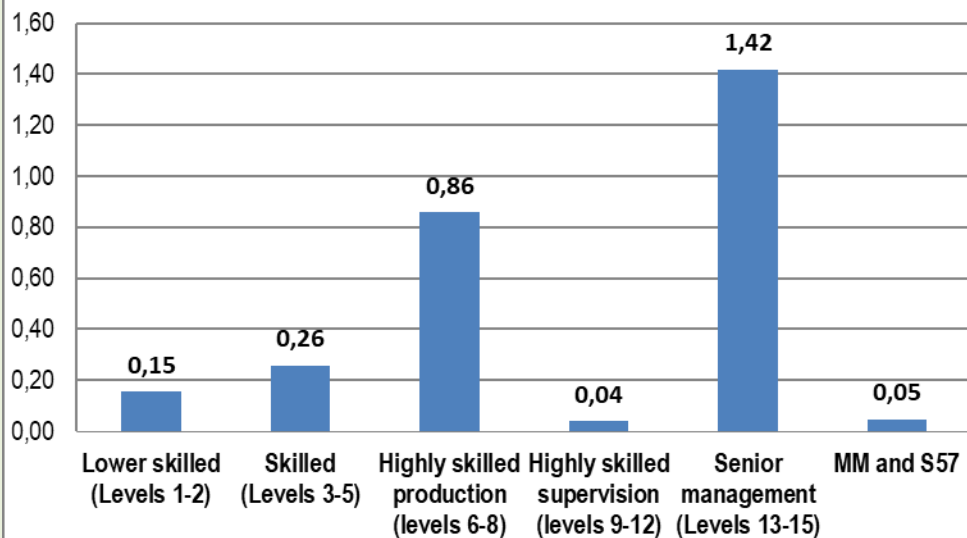
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	89	6	100%	15	50
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	2	2	100%	0	50
<i>T 4.3.1</i>					

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower-skilled (Levels 17-16)	102	4%	84	291	0,2	3
Skilled (Levels 13-10)	40	7%	40	104	0,26	10
Highly-skilled production (levels 6-8)	15	4%	15	45	0.7	29
Highly-skilled supervision (levels 5-4)	15	0%	15	20	0,4	7
Senior management (Levels 2-1)	2	0%	2	7	0	15
MM and S57 (2-1)	2	0%	2	7	0	15
Total	176	53%	158	467	21,56	79
T4.3.2						

Chapter 4

Average Number of Days Sick Leave (excluding IOD)



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE:

There were only six (6) injuries on duty reported during the current under review requiring basic medical attention. There were no fatal incidents, or permanent or temporary disablements. Sick leave remained under control and it is managed manually by line managers at the departmental level.

T 4.3.4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were no suspensions and no disciplinary actions during the year under review for s56 managers.

T 4.3.7

Chapter 4

4.4 PERFORMANCE REWARDS

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 4.4.1.1

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total Number of Employees in Group	Number of beneficiaries	Expenditure on Rewards 2021/22 R' 000	Proportion of Beneficiaries within Group %
Lower-skilled (Levels 1-2)	Female	None	None	None	0%
	Male	None	None	None	0%
Skilled (Levels 3-5)	Female	None	None	None	0%
	Male	None	None	None	0%
Highly-skilled production (levels 6-8)	Female	None	None	None	0%
	Male	None	None	None	0%
Highly-skilled supervision (levels 9-12)	Female	None	None	None	0%
	Male	None	None	None	0%
Senior management (Levels 13-15)	Female	None	None	None	0%
	Male	None	None	None	0%
MM and S57	Female	None	None	None	0%
	Male	None	None	None	0%
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					N/A

T 4.4.1

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

In terms of Section 68(1) of the MSA (2000), a municipality must 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.

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Development Expenditure										
Management Level	Gender	Employees as at the beginning of the Financial Year	Original Budget and Actual Expenditure on Skills Development 2020/21							
			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	0	0	0	0	0	0	0	0	0
	Male	6	0	0	0	00	0	00	0	00
Legislators, Senior Officials and Managers	Female	30	0	0	0	00	0	02	0	02
	Male	37	0	0	0	08	0	01	0	06
Professionals	Female	12	0	04	0	0	0	0	0	06
	Male	17	0	01	0	01	0	0	0	25
Technicians	Female	38	0	0	0	0	0	0	0	01

Chapter 4

and Associate Professionals	Male	71	0	04	0	0	0	0	0	05
Clerks	Female	26	0	05	0	0	0	08	0	00
	Male	17	0	0	0	0	0	20	0	06
Service and Sales Workers	Female	23	0	0	0	0	0	0	0	01
	Male	34	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	10	0	0	0	0	0	02	0	00
	Male	27	0	01	0	01	0	01	0	00
Elementary Occupations	Female	43	0	09	0	0	0	02	0	00
	Male	79	0	10	0	11	0	0	0	01
Sub-Total	Female	213	0	18	0	06	0	13	0	00
	Male	256	0	16	0	22	0	23	0	00
Total		470	0	34	0	28	0	36	0	55
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									100%*	55
T4.5.3										

Chapter 4

Skills Development Expenditure									
R'000									
Management Level	Employees as at the Beginning of the Financial Year	Original Budget and Actual Expenditure on skills development 2021-2022							
		Learnerships		Skills Programmes & Other Short Courses		Other Forms of Training		Total	
	No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
All Levels	470	0	0	0	0	0	0	0	0
Sub-Total	470	0	0	0	0	0	0	0	0
Total	470	0	0	0	0	0	0	0	0
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.								%*	*R0
T4.5.3									

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

The Municipality spent 100% of the budgeted training costs during the year under review.

T 4.5.4

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

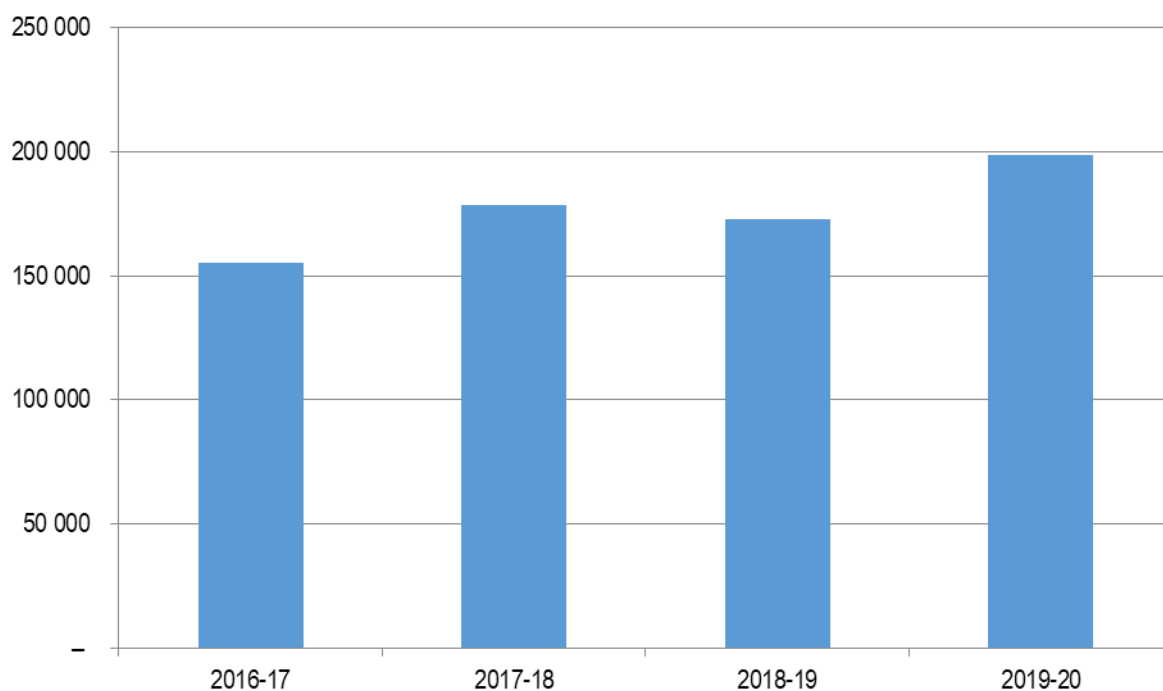
INTRODUCTION TO WORKFORCE EXPENDITURE

The Municipal workforce expenditure was well-managed by management as intended and it is within control.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Workforce Expenditure Trends (R' 000)



Source: MBRR SA22

T 4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

The Municipality is currently 90% capacitated in terms of human capital. Vacancies remain the main challenge within the Municipality due to the lack of requisite skills within the municipal demarcation.

T 4.6.1.1

Chapter 4

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	0
	Male	0
Highly-skilled production (Levels 6-8)	Female	0
	Male	0
Highly-skilled supervision (Levels9-12)	Female	0
	Male	0
Senior Management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0
<i>T 4.6.2</i>		

Chapter 4

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

DISCLOSURES OF FINANCIAL INTERESTS

Appendix J. Make other comments as appropriate. Please see the appendix J

T 4.6.6

Chapter 5

CHAPTER 5: FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 details the financial performance of the Municipality 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

INTRODUCTION TO FINANCIAL STATEMENTS

The statement of financial performance for 2021/22 financial year is presented below.

Note. Statements of Revenue Collection Performance by vote and by source are included at Appendix K.

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2022	2021 Restated
Revenue			
Revenue from exchange transactions			
Service charges	19	64 131 997	64 715 868
Rental Income	20	681 321	1 964 574
Interest received from exchange transactions - consumers	23	13 646 168	11 817 221
Licences and permits	22	15 576	146 211

Chapter 5

Figures in Rand	Note(s)	2022	2021 Restated
Other Income	24	2 901 570	3 022 360
Interest received - investment	25	4 997 453	7 239 623
Fair value adjustments	42	3 529 049	1 963 539
Total revenue from exchange transactions		89 903 134	90 869 395
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	77 882 048	96 011 645
Interest received from non-exchange transactions - consumers	23	30 701 331	41 897 418
Transfer revenue			
Government grants & subsidies	27	798 244 837	810 697 635
Donations	28	535 480	1 480 000
Fines	21	8 992 450	2 242 519
Total revenue from non-exchange transactions		916 356 144	952 329 217
Total revenue	18	1 006 259 278	1 043 198 613
Expenditure			
Employee related costs	29	-214 254 597	-199 489 181
Remuneration of councillors	30	-20 318 647	-20 023 990
Depreciation and amortisation	31	-	-45 055 711
Impairment loss	32	-1 810 176	-12 303 789
Finance costs	33	-10 174 558	-7 777 975
Debt Impairment	34	-17 950 865	-178 892 057

Chapter 5

Figures in Rand	Note(s)	2022	2021 Restated
Bad debts written off	35	-12 180 221	-
Bulk purchases	36	-94 006 668	-86 605 870
Contracted services	37	-177 019 810	-107 963 188
Loss on disposal of assets and liabilities	40	-1 217 677	-333 244
General Expenses	38	-79 271 869	-82 852 985
Grants and subsidies expenditure	39	-16 205 151	-12 031 739
Total expenditure		-697 953 257	-755 236 711
Surplus for the year		308 306 021	288 711 629

COMMENT ON FINANCIAL PERFORMANCE:

The total operating expenditure for the year under review decreased from R755-million (2020/21) to R698-million (2021/22). The decrease in total expenditure for the current year amounted to a decrease of 8% when compared to 2020/2021 total expenditure. This change resulted in the operating surplus increasing from R289-million to R308-million representing an increase of R19-million from 2020/2021 financial year. The total revenue for the year under review decreased from R1 043-million (2020/21) to R1 006-million (2021/22). The decrease in revenue for the year under review (2021/22) represent a decrease of 4% when compared to revenue for 2020/2021 financial year.

T5.1.3

Chapter 5

5.2 GRANTS

Grant Performance		
R' 000		
Description	2020/21	2021/22
	Actual	Actual
Govt. grants and Subsidies: Unconditional	349 235	394 135
Govt. grants and Subsidies: Conditional	456 425	416 562
Total Operating Transfers and Grants	805 660	810 697

Chapter 5

COMMENT ON OPERATING TRANSFERS AND GRANTS

The Municipality did not spend 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 2020/21	Actual Grant 2021/22	2021/22 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
LG Seta	195 160	349 548	0	30-Jun-22	N/A	The grant is intended for the training of municipal staff.
Data Cleansing Grant		10 000 000	0	30 June 2022	N/A	The grant is intended for revenue enhancement.

T 5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The Municipality received LG Seta and Data Cleansing grants during the current year.

T 5.2.4

Chapter 5

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 2021/22

Asset 1	
Name	Refurbishment of Eesterhoe Water Scheme
Description	Refurbishment of Eesterhoe Water Scheme
Asset Type	Infrastructure
Key Staff Involved	Project Manager (PMU)
Staff Responsibilities	Project Manager
Asset Value	2021/22
	R258 614 245
Capital Implications	Grant used
Future Purpose of Asset	Distribution of electricity
Describe Key Issues	Infrastructure
Policies in Place to Manage Asset	Asset Management Policy

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/22	
Asset 2	
Name	Upgrading of Silobela Substation
Description	Upgrading of Silobela Substation
Asset Type	Infrastructure
Key Staff Involved	Project Manager (PMU)
Staff Responsibilities	Project Manager
Asset Value	2021/22
	R20 263 420
Capital Implications	Grant used
Future Purpose of Asset	Distribution of electricity
Describe Key Issues	Infrastructure
Policies in Place to Manage Asset	Asset Management Policy
Asset 3	
Name	Installation of Smartsan or Environsan toilets
Description	Upgrading of Silobela Substation
Asset Type	Infrastructure
Key Staff Involved	Project Manager (PMU)
Staff Responsibilities	Project Manager
Asset Value	2021/22
	R16 563 559

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/22

Capital Implications	Grant used
Future Purpose of Asset	Distribution of electricity
Describe Key Issues	Infrastructure
Policies in Place to Manage Asset	Asset Management Policy
T 5.3.2	

COMMENT ON ASSET MANAGEMENT:

All major assets acquired related to capital expenditure infrastructure assets.

T 5.3.3

Repair and Maintenance Expenditure: 2021/22

R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	42 944	42 944	42 944	0%
T 5.3.4				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

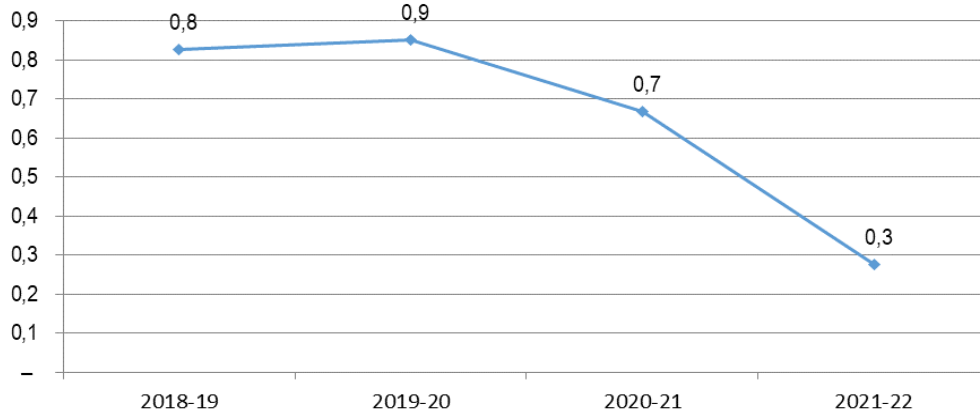
Repairs and maintenance is budgeted under contracted services in line with MSCOA reclassifications.

T 5.3.4.1

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity Ratio

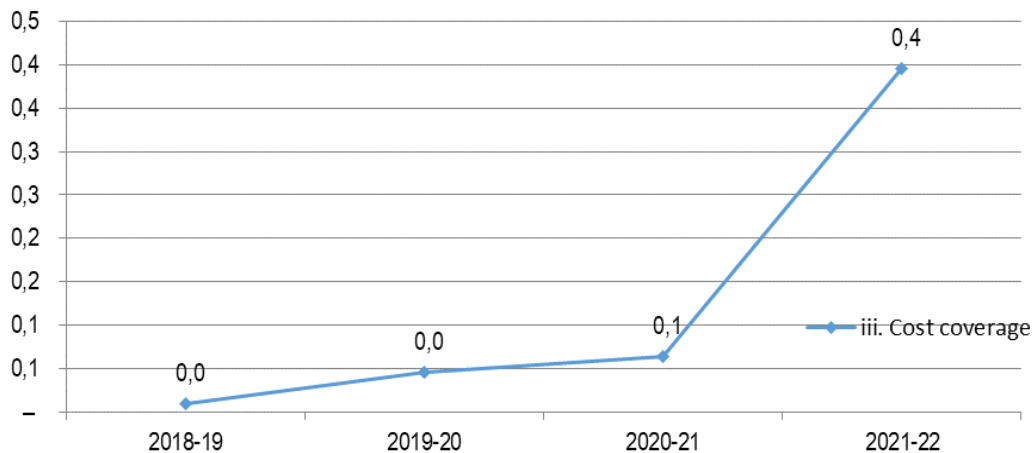


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

Cost Coverage



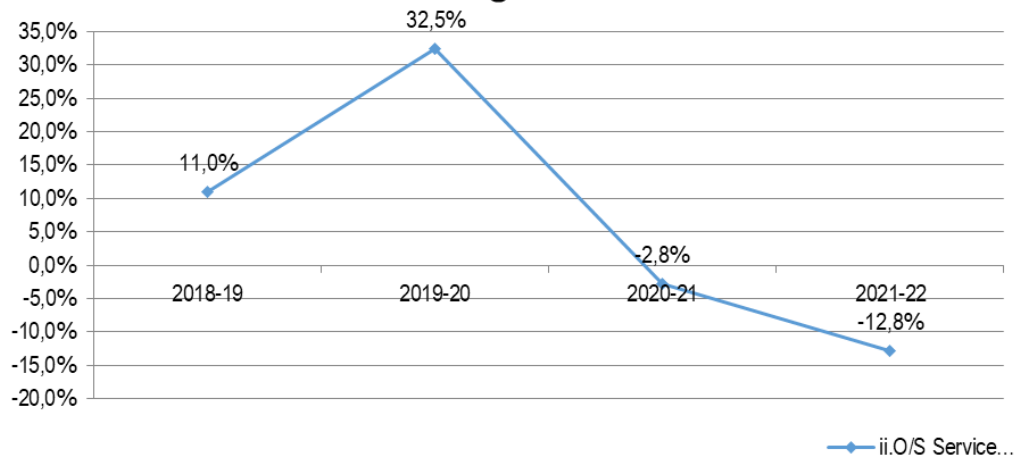
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

Chapter 5

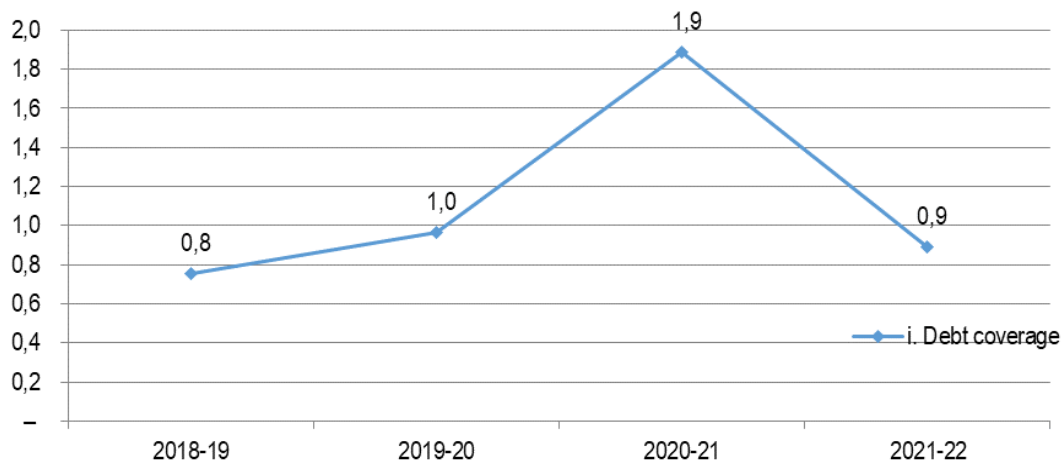
Total Outstanding Service Debtors



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 debtors by the total annual revenue. A lower score is better.

T 5.4.3

Debt Coverage



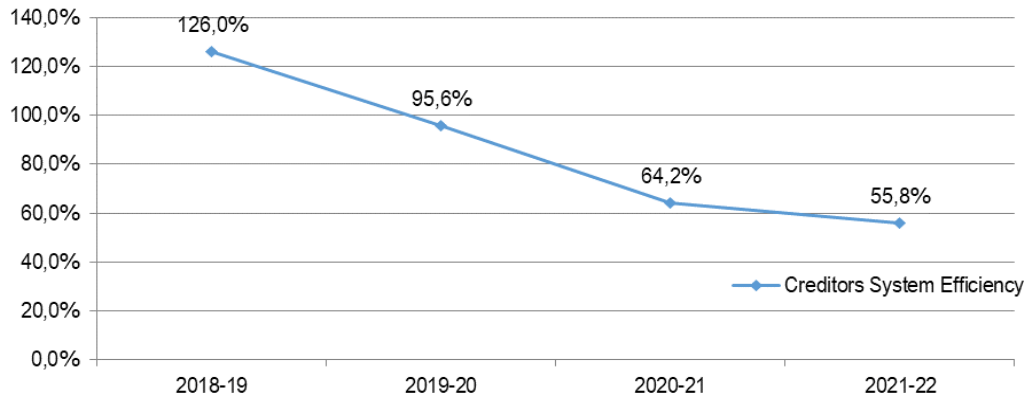
Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Chapter 5

Creditors System Efficiency

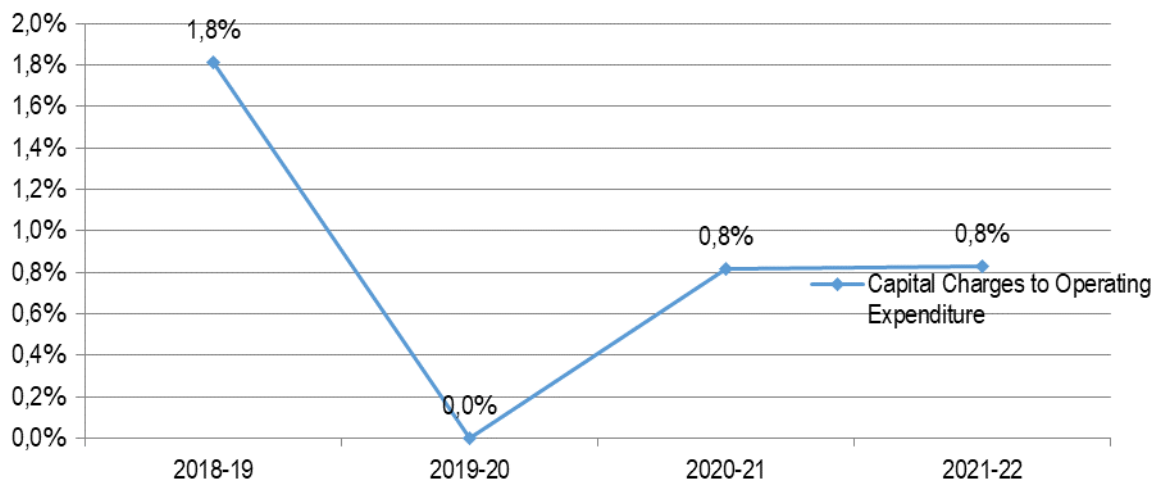


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Capital Charges to Operating Expenditure



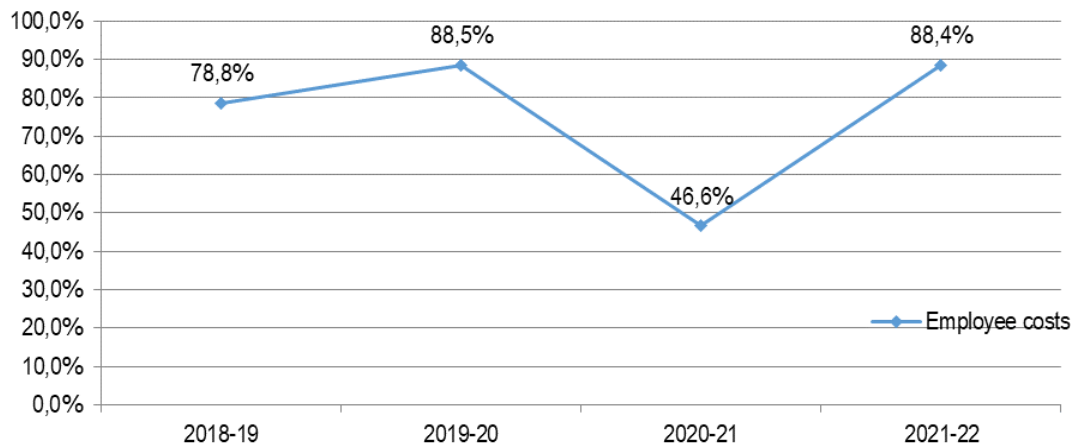
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Chapter 5

Employee Costs

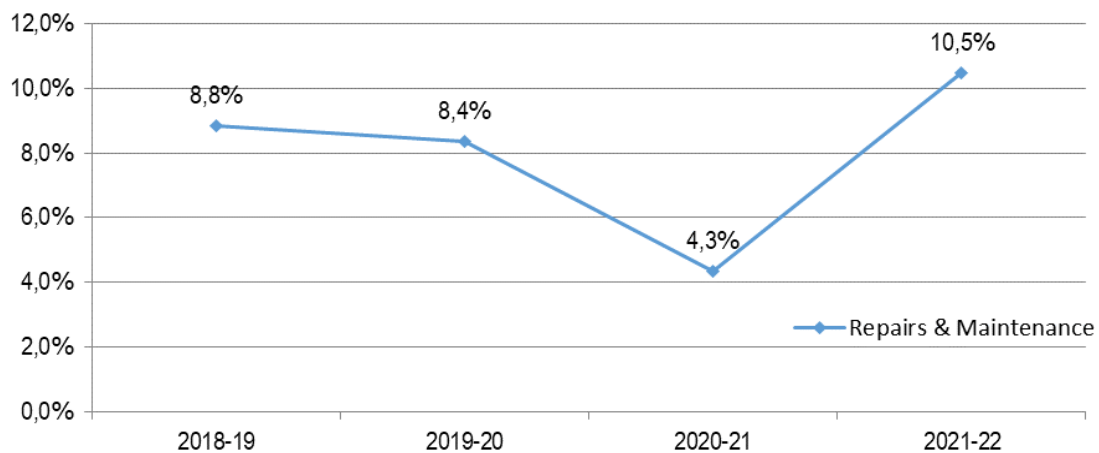


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

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

Chapter 5

COMMENT ON FINANCIAL RATIOS:

The financial ratios were below the industry's expected norm due to the financial difficulty the Municipality finds itself in. Management endeavours to manage the limited funds available with caution in an effort to improve the Municipality's challenging financial situation and, in turn, its state of health.

T 5.4.9

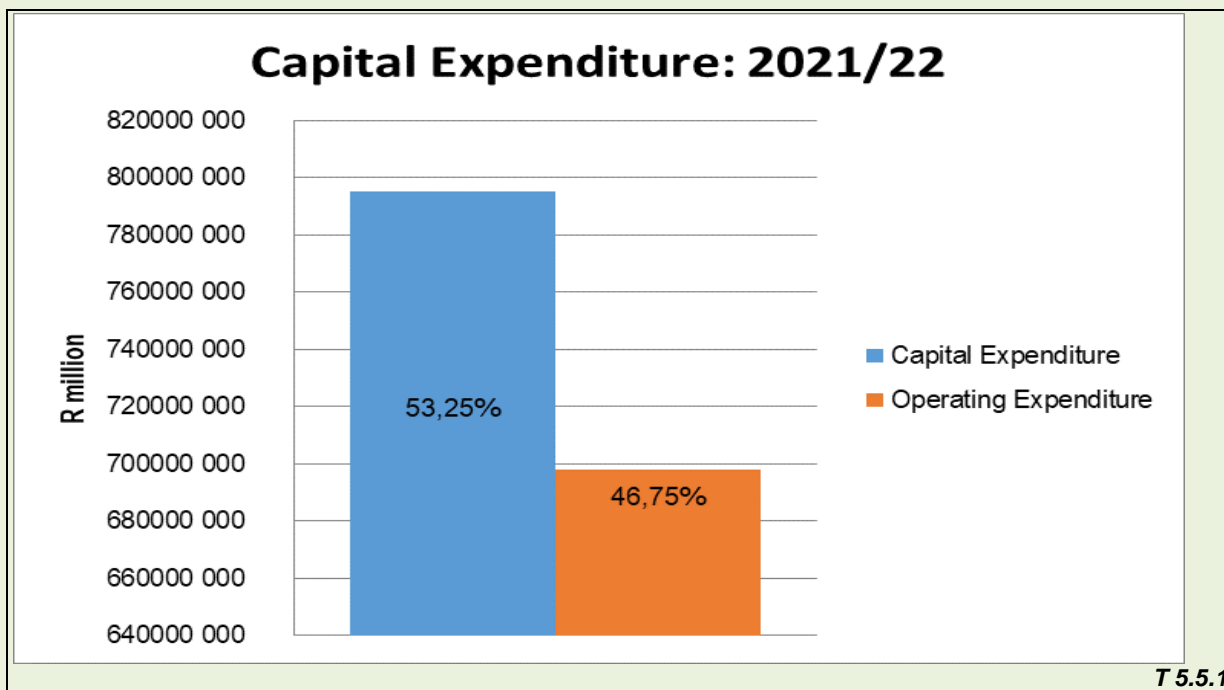
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure was funded through grants. The Municipality received various grants from different sources to fund capital expenditure during the year under review.

T 5.5.0

5.5 CAPITAL EXPENDITURE



Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2020/21 to 2021/22			
		R' 000	
Details		2020/21	2021/22
		Actual	Actual
Source of finance			
	Grants and subsidies	810 697	781 311
	Other	3 022	13 741
Total		813719	795 052
Percentage of finance			
	External loans	0,00%	0,00%
	Public contributions and donations	0,00%	0,00%
	Grants and subsidies	99,63%	98,27%
	Other	0,37%	1,73%
Capital expenditure			
	WSIG	26 375	64 000
	RBIG	287 960	248 000
	INEP	10 000	24 468
	MIG	85 419	92 108
	EEDSMG	2 700	3 500
Total		203 072	412 454
Percentage of expenditure			
	WSIG	6,40%	14,81%

Chapter 5

Capital Expenditure - Funding Sources: 2020/21 to 2021/22			
	RBIG	69,82%	57,40%
	INEP	2,43%	5,66%
	MIG	20,71%	21,32%
	Other	0,66%	0,81%

COMMENT ON SOURCES OF FUNDING:

The Municipality budgeted R432-million in capital projects and spent 100% of the capital budget during the year under review.

T 5.6.1.1

5.7 CAPITAL SPENDING ON FIVE (5) LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	2021-22			Variance: 2021-22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Refurbishment of Eerstehoek Water Scheme.	258 608	258 608	258 614	0%	0%
Upgrading Silobela Substation	8 468	19 398	20 263	139%	5%
Installation of Smartsan or Environsan Toilets	16 569	16 569	16 569	0%	-0%
Upgrading Empuluzi Waste Water Treatment Works (WWTW)	15 273	15 273	15 273	0%	0%
Construction of Nhlanzatshe Access Road	13 424	13 424	13 424	0%	-0%
T 5.7.1					

COMMENT ON CAPITAL PROJECTS:

The Municipality budgeted R312-million on the top 5 capital projects. All projects were closely monitored and were on track at year end. There were no major challenges noted that could significantly affect progress.

T 5.7.1.1

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 2020.

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 Smartsan toilets as an alternative to VIP toilets.

T 5.8.1

Chapter 5

Service Backlogs as at 30 June 2022				
	*Service level above Minimum Standard		**Service level below Minimum Standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	51 649	97%	1 831	3%
Sanitation	47 062	88%	6 418	12%
Electricity	51 307	88%	2 173	4%
Waste management	8 041	15%	45 439	85%
Housing	48 132	90%	5 348	10%

*% HHs are the service above/below minimum standard as a proportion of total HHs.
'Housing' refers to * formal and ** informal settlements.*

T 5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure 2021/22 on Service backlogs						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major Conditions Applied by Donor (continue below if necessary)
				Budget	Adjustments Budget	
WSIG	64 000	64 000	54 586	15%	15%	Conditional grant
RBIG	258 608	258 608	258 614	0%	0%	Conditional grant
INEP	24 468	24 468	25 334	4%	4%	Conditional grant
MIG	92 108	92 108	90 986	1%	1%	Conditional grant
EEDSMG	3 500	3 500	3 404	3%	3%	Conditional grant
Total	442 684	442 684	442 025	0,15%	0,15%	Conditional grant

T 5.8.3

Chapter 5

COMMENT ON BACKLOGS:

There were no backlog on the grants during 2021/22 financial year.

T 5.8.4

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	20120/21	2021/22
	Audited Outcome	Audited Outcome
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts		
Service Charges	92 685	142 923
Government - Capital and Operating	742 306	795 052
Interest	7 240	4 998
Other Receipts	5 133	3 599
Payments		
Employee Costs	(215 619)	(233 381)
Suppliers	(309 081)	(353 802)
Finance Charges	(2 588)	(2 475)
NET CASH FROM/(USED) OPERATING ACTIVITIES	320 076	330 330
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Purchases of PPE	(356 663)	(381 580)
Proceeds on Disposal of PPE	1 292	0
Movement in Operating lease	(111)	(7)
Movement in Investments	(216)	(166)
Payments		
Capital Assets		

Chapter 5

NET CASH FROM/(USED) INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Movement in Provision		
Finance Lease Payments	(6 079)	(4 994)
Payments		
Repayment of Borrowing		
NET CASH FROM/(USED) FINANCING ACTIVITIES	(6 079)	(4 994)
NET INCREASE/ (DECREASE) IN CASH HELD	(41 701)	(29 824)
Cash/cash equivalents at the year begin:	97 774	56 073
Cash/cash equivalents at the yearend:	56 073	26 250
<i>Source: MBRR A7</i>		T 5.9.1

COMMENT ON CASH FLOW OUTCOMES:

The Municipal cash flow position has regressed from R56m to R26m. This represents a regression of R30m (54%).

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

In terms of the MFMA (2003), a municipality may only borrow funds for the purpose of acquiring assets or improving facilities or infrastructure to provide basic service delivery.

The Municipality did not undertake any borrowings in the 2021/22 financial year. However, the Municipality had investments to the following unit trusts during the year under review: Investec, RMB Momentum, Coronation Strategic Income Fund, Stanlib and Sanlam Unit trust.

T 5.10.1

Chapter 5

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

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

The Municipality's annual financial statements for the 2021/22 financial year were compiled in terms of the General Recognised Accounting Practice (GRAP).

In terms of MFMA (2003) Section 83(1), the accounting officer, senior managers, chief financial officer, non-financial managers, and other financial officials of a municipality must

Chapter 5

meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA (2003).

The Municipality has signed a Memorandum of Understanding (MOU) with Sebata Municipal Solutions for the implementation of MSCOA. A Steering Committee was appointed by the accounting officer. The MSCOA went into effective from 01 July 2017.

T 5.13.1

Chapter 6

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Constitution (1996), Section 188(1)(b), stated that the functions of the Auditor-General included auditing and reporting on the accounts, financial statements, and financial management of all municipalities. The Local Government: Municipal Systems Act (2000), Section 45, stated 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

Chapter 6

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2020/21

6.1 AUDITOR GENERAL REPORTS YEAR 2020/21

Auditor-General Report on Financial Performance: 2020/21	
Audit Report Status*:	Unqualified
Non-Compliance Issues	Remedial Action Taken
Annual Financial Statements and Annual Reports <p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122(1) of the MFMA. Material misstatements of non-current assets/ current assets/ revenue/ expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.</p>	<p>The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function.</p>
Expenditure Management <p>Reasonable steps were not taken to prevent irregular expenditure amounting to R16 189 484 disclosed in note 51 to the financial statements, as required by Section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with local content requirements as required by the 2017 Preferential Procurement Regulations.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure amounting to R9 859 613, as disclosed in note 49 to the financial statements, in contravention of Section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending the adjustment budget.</p>	<p>The process to update the current Supply Chain Management policy is underway and it is planned during the budget process in the 3rd quarter.</p> <p>Irregular and unauthorized expenditures if identified are disclosed and reported as such to MPAC for proper and thorough investigation and any recommendations by MPAC are implemented.</p>
Consequence Management <p>Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p>	<p>An Investigation is being conducted to ensure compliance with MFMA.</p>

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*Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*

T 6.1.1

Auditor-General Report on Service Delivery Performance: 2020/21

Status of Audit Report:**

Qualified

Non-Compliance Issues

Remedial Action Taken

Number of Ring Main Units Maintained

The reported indicator for number of ring main units maintained did not agree with the planned indicator for number of ring main units, as per the approved service delivery budget implementation plan. This change was made without the necessary approval.

The SDBIP will be reviewed by internal audit to ensure that all indicators and target are consistent with the IDP.

** This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 2018-2019*

*** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.*

T 6.1.2

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COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2021/22

6.2 AUDITOR GENERAL REPORT 2021/22

Auditor-General Report on Financial Performance: 2021/22	
Audit Report Status*:	Qualified
Non-Compliance Issues	Remedial Action Taken
<p>Receivables from Non-Exchange Transactions</p> <p>The municipality did not account for receivables from non-exchange transactions in accordance with the requirement of GRAP 23, Revenue from non-exchange transactions. Property rates were levied on municipal properties. This resulted in receivables from non-exchange from non-exchange transactions disclosed in note 4 to the financial statements being overstated by R42 960 204, property rates being overstated by R27 893 097, interest from non-exchange transactions being overstated by R8 166 382 and accumulate surplus being overstated by R7 860 707.</p>	<p>The municipality developed an action plan to response to the material finding from the AGSA. The action plan will be monitored by Top management on a monthly basis for implementation.</p>
<p>Consequence Management</p> <p>Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p>	<p>Investigation is being carried to ensure compliance with MFMA.</p>
<p><i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i></p>	
T 6.2.1	

Chapter 6

Auditor-General Report on Service Delivery Performance: 2021/22	
Status of Audit Report**:	Qualified
Non-Compliance Issues	Remedial Action Taken
<p>Number of Panels and Substations Maintained</p> <p>The achievement of 23 panels and substations maintained was reported against a target of 13 in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 31, which materially differed from the reported achievement.</p>	<p>The Annual Performance Report will be reviewed by Internal Audit against supporting evidence to ensure consistent reporting</p>
<p><i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 2018-2019</i></p> <p><i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i></p>	

T 6.2.2

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AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2021/22

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AUDITOR - GENERAL
SOUTH AFRICA

The Accounting Officer
Chief Albert Luthuli Local Municipality
PO Box 24
Carolina
1185

30 November 2022

Reference: 02144REG2021/22

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 2022

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. In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
3. Prior to printing or copying the annual report which will include the audit 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 audit 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.
4. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
5. 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*), the AGSA, or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during

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an audit, other than the final auditor's report, to any third party unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.

6. 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.
7. 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: Ockert Brits
Telephone: 013 756 0800
E-Mail: ockertb@agsa.co.za

Chapter 6

Report of the auditor-general to Mpumalanga Provincial Legislature and the council 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 XX to XX, which comprise the statement of financial position as at 30 June 2022, 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 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Receivables from non-exchange transactions

3. The municipality did not account for receivables from non-exchange transactions in accordance with the requirements of GRAP 23, Revenue from non-exchange transactions. Property rates were levied on municipal properties. This resulted in receivables from non-exchange transactions disclosed in note 4 to the financial statements being overstated by R42 960 207, property rates being overstated by R27 893 097, interest from non-exchange transactions being overstated by R8 166 382 and accumulated surplus being overstated by R7 860 707.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
5. 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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6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 60 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material losses – electricity

9. As disclosed in note 36 to the financial statements, material electricity losses of R31 213 775 (2020-21: R28 912 922) were incurred, which represents 76,79% (2020-21: 75,68%) of total electricity purchased.

Material losses – water

10. As disclosed in note 36 to the financial statements, material water losses of R8 035 531 (2020-21: R16 705 840) was incurred, which represents 37,67% (2020-21: 46,95%) of total water distributed.

Material impairments – receivables

11. As disclosed in note 3 to the financial statements, material impairment of receivables from exchange transactions of R150 338 463 (2020-21: R186 794 327), was incurred as a result of impairment provision for doubtful debts.

Other matter

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

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA 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.

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Responsibilities of the accounting officer for the financial statements

14. 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 the financial statements that are free from material misstatement, whether due to fraud or error.
15. 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.

Auditor-general's responsibilities for the audit of the financial statements

16. 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 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.
17. 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

Introduction and scope

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

Chapter 6

20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report for the year ended 30 June 2022:

Strategic objective	Pages in the annual performance report
Strategic objective 5: to ensure provision of basic services	x – x

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. The material findings on the reliability of the performance information of the selected objective are as follows:

Strategic objective 5: to ensure provision of basic services

Number of panels and substations maintained

23. The achievement of 23 panels and substations maintained was reported against a target of 13 in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 31, which materially differed from the reported achievement.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages XX to XX for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 23 of this report.

Chapter 6

that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Chapter 6

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of strategic objective 5: to ensure provision of basic services. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
28. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

29. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).

Annual financial statements and annual reports

30. 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.
31. Material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Revenue management

32. An effective system of internal control for debtors was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

33. Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.

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Expenditure management

34. Reasonable steps were not taken to prevent irregular expenditure amounting to R62 838 995 as disclosed in note 52 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM regulations.

Strategic planning and performance

35. The Service Delivery and Budget Implementation Plan (SDBIP) for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote, as required by section 1 of the MFMA.

Consequence management

36. Irregular expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Conditional grants

37. Performance in respect of programmes funded by the water services infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.
38. Performance in respect of programmes funded by the Integrated National Electrification Programme was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

Other information

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in the auditor's report.
40. Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on thereon.
41. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
42. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

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43. I have nothing to report in this regard.

Internal control deficiencies

44. I considered internal control relevant to my audit of financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.
45. 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.
46. Management did not review and monitor compliance with laws and regulations consistently to prevent contraventions laws and regulations.
47. There was insufficient monitoring and oversight over the implementation of the audit action plan.

Dushor - General
Mbombela

30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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T 6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2020-21:

The Municipality received a qualified audit opinion for the 2021-22 financial year.

The Audit Strategy and the Engagement Letter were discussed with Management. The Municipality received the Audit Report on 30 November 2022, with one qualification paragraph on receivables from non-exchange transaction.

T 6.2.4

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)..... Dated

T 6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” 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.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually 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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	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.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of

GLOSSARY

	outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.
General performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas Key	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	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".

GLOSSARY

Outputs	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 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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	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.
Service Delivery Budget Implementation Plan	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.

GLOSSARY

Vote:

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:

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

b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance (July 2021 – October 2021)					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage for non-attendance
	FT/PT			%	%
Nkosi D P	FT	Mayoral Committee & Finance S80	PR	100%	0%
Mngomezulu M W	FT	S79 Policies and By-Laws Committee & Speaker	PR	100%	0%
Masuku-Sidu L L	FT	S79 Policies and By-Laws Committee & Whip	PR	100%	10%
Magagula M P	FT	Mayoral Committee and Technical & PMU S 80	PR	100%	10%
Makhubelo N V	FT	Mayoral Committee	PR	67%	33%

APPENDICES

		and Community Safety Services S80			
Mnisi-Nkosi N	FT	Mayoral Committee & Corporate Services S80	PR	100%	0%
Nkosi S Z	FT	Mayoral Committee & Planning and Economic Development S80	PR	100%	0%
Gininda S V	FT	s79 MPAC	PR	100%	0%
Nkosi J T	PT	S80 Technical Services and PMU	Ward 1	100%	30%
Jele J J	PT	S80 Finance	Ward 2	100%	10%
Ngwenya R D	PT	S79 Planning and Economic Development	Ward 3	100%	10%
Khumalo M J	PT	S80 Planning and Economic Development	Ward 4	33%	67%
Ngubeni A	PT	S80 Corporate Services	Ward 5	67%	33%
Dube SN	PT	S79 Community and Safety	Ward 6	100%	0%

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		Services			
Mnisi S T	PT	S80 Corporate Services	Ward 7	100%	0%
Mkhwanazi H L Z	PT	S79 Finance and Administration	Ward 8	100%	0%
Mthembu M S	PT	s79 MPAC	Ward 9	100%	0%
Nhlabatsi N C	PT	S79 Community and Safety Services	Ward 10	100%	0%
Nkosi T S	PT	S79 Infrastructure	Ward 11	100%	0%
Nkosi A D	PT	S80 Community and Safety Services	Ward 12	100%	0%
Ntjana M L	PT	S80 Planning and Economic Development	Ward 13	67%	33%
Ngoma Z S	PT	s79 MPAC	Ward 14	100%	100%
Shabangu L D	PT	S79 Community and Safety Services	Ward 15	100%	0%
Nkosi J S	PT	S79 LGNC	Ward 16	100%	0%

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Motaung R M	PT	S79 LED	Ward 17	100%	0%
Nkosi G J	PT	S80 Community and Safety Services	Ward 18	100%	0%
Zulu G G	PT	S80 Finance	Ward 19	100%	0%
Mbhele J S	PT	S79 LGNC	Ward 20	100%	0%
Nkosi V L	PT	S79 Finance and Administration	Ward 21	100%	0%
Mthombeni F S	PT	S79 Infrastructure	Ward 22	100%	0%
Lubede E J	PT	S79 LED	Ward 23	100%	0%
Nkosi T B	PT	S80 Corporate Services	Ward 24	100%	0%
Cindi N R	PT	S80 Planning and Economic Development	Ward 25	100%	0%
Dludlu Z M	PT	S80 Technical Services and PMU	PR	100%	0%
Hlabatsi P Z	PT	S80 Technical Services and PMU	PR	100%	0%

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Matshaba K A	PT	S80 Finance	PR	100%	0%
Nkosi S P	PT	S80 Technical Services and PMU	PR	100%	0%
Shongwe J D	PT	S80 Community and Safety Services	PR	100%	0%
Thomo N G	PT	S79 Finance and Administratio n	PR	100%	0%
Sikhakhane N B	PT	S79 Infrastructure	PR	100%	0%
Zulu W	PT	S79 Community and Safety Services	PR	0%	100%
Nkosi B G	PT	S79 LGNC	PR	33%	67%
Ndebele J C H	PT	S79 Infrastructure	PR	67%	33%
Van der Walt L	PT	S79 LGNC	PR	100%	0%
Malaza M A	PT	S79 Finance and Administratio n	PR	100%	0%
Zwane F C	PT	s79 MPAC	PR	67%	33%

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Nkosi D S	PT	s79 MPAC	PR	33%	67%
Mbuli T G	PT	S79 Community and Safety Services	PR	100%	0%
Kgwedi T H	PT	S79 LED	PR	67%	33%
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A

Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
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	PR	100%	0%

APPENDICES

Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
		Naming, Petitions, Rules and Ethics S79			
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%
Dhlamini, ES	Full Time	Mayoral Committee. Finance S80	PR	100%	0%

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Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
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%
Ngwenya RD (Passed away on 23 March 2022)	Part Time	Technical Services S79	Ward 3	20%	80%
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%

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Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
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%

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Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
Gininda O	Part Time	PED S80	Ward 18	90%	10%
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%

APPENDICES

Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
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		90%	10%

APPENDICES

Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
			PR		
Ndebele JCH	Part Time	PED Section 79	PR	70%	30%
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%

APPENDICES

Councillors, Committees Allocated and Council Attendance (November 2021 – June 2022)					
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%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

Concerning T A

Majority of the councillors were able attend all meetings as per the council schedule.

T A.1

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
<p>S79 Committees [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p> <ul style="list-style-type: none"> • Finance and Administration Committee • Infrastructure Committee • Community and Safety Services Committee • Geographic Naming, Rules, Ethics and Petitions Committee • Municipal Public Accounts Committee (MPAC) • Economic Development Committee • Policies and By-Laws Committee • Local Labour Forum (LLF) 	<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</p>

APPENDICES

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

	<p>implemented;</p> <p>iv) To promote good governance, transparency and accountability on the use of municipal resources;</p> <p>v) To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality of the Audit Committee; and</p> <p>vi) To perform any other functions assigned to it through a resolution of Council within its area of responsibility.</p>
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
S79 Audit Committee [S166 Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)]	<p>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;</p> <p>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;</p> <p>iii) To respond to council on any issues raised by the Auditor-General in the audit report;</p> <p>iv) To carry out such investigations into the financial affairs of the municipality as the council may request; and</p> <p>v) To perform such other functions as may</p>

APPENDICES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
	be prescribed.
<p>S80 Committees [(Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p> <ul style="list-style-type: none"> • 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
Ward Committees	To link the community with council and council with the community
TB	

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Manager
Office of the Executive Mayor	Manager: Office of the Executive Mayor (Mr J W Shabangu)
Office of the Municipal Manager	Manager: Internal Audit Unit (Ms S Mahlangu)
	Manager: Risk Management Unit (Ms S K Mavimbela)
	Manager: Performance Management Unit (Mr S Maseko)
	Manager: Project Management Unit (Mr B C Mdutyulwa)
Corporate Services	Manager: Legal Services (Mr C F Dlamini)
	Manager: Human Resources (Mr M S Nkosi)
	Manager: Records and Administration (Mr T M Nhlapo)
Financial Services (Budget and Treasury)	Manager: Budget and Treasury Office (Ms W N Reaname)
	Manager: Revenue (Mr D M Gininda)

APPENDICES

	Manager: Expenditure (Mr O G Hlophe)
	Manager: Supply Chain Management Unit (Mr N S Mlangeni)
	Manager: Asset Management Unit (Ms C N Madinane)
Public Safety	Chief Licensing Officer (Ms R S Nkosi)
Community Services	Manager: Environmental Health and Waste Management Unit (Ms N P Thabethe)
Technical Services	Manager: Water and Sanitation Services (Mr M E Gumede)
	Manager: Electricity Service (Ms M A Vilakazi)
	Manager: Roads and Stormwater Services (Mr M P Magubane)
Planning and Economic Development	Manager: Local Economic Development (Ms W M Mkhwanazi)
	Manager: Human Settlement (Mr J A Mndawe)
T C	

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity(Yes / No)*
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	No
Firefighting services	Yes	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	Yes	No
Municipal public transport	No	No

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Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity(Yes / No)*
Constitution Schedule 4, Part B functions:		
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	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No

APPENDICES

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity(Yes / No)*
Constitution Schedule 4, Part B functions:		
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	Yes	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No

APPENDICES

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity(Yes / No)*
Constitution Schedule 4, Part B functions:		
Pounds	No	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
* <i>The municipality does not have a municipal entity</i>		<i>T D</i>

APPENDICES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees (July 2021-October 2021)					
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	T J Nkosi	Yes	4	4	4
2	J J Jele	Yes	4	4	4
3	R D Ngwenya	Yes	4	4	4
4	M J Khumalo	Yes	4	4	4
5	A Ngubeni	Yes	4	4	4
6	S Dube	Yes	4	4	4
7	S T Mnisi	Yes	4	4	4
8	H L Z Mkhwanazi	Yes	4	4	4
9	M S Mthembu	Yes	4	4	4
10	N C Nhlabatsi	Yes	4	4	4
11	T S Nkosi	Yes	4	4	4
12	A D Nkosi	Yes	4	4	4

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13	M L Ntjana	Yes	4	4	4
14	Z S Ngoma	Yes	4	4	4
15	L D Shabangu	Yes	4	4	4
16	J S Nkosi	Yes	4	4	4
17	R M Motaung	Yes	4	4	4
18	G J Nkosi	Yes	4	4	4
19	G G Zulu	Yes	4	4	4
20	J S Mbhele	Yes	4	4	4
21	V L Nkosi	Yes	4	4	4
22	F S Mthombeni	Yes	4	4	4
23	E J Lubede J	Yes	4	4	4
24	T B Nkosi	Yes	4	4	4
25	N R Cindi	Yes	4	4	4
					<i>TE</i>

APPENDICES

Functionality of Ward Committees (November 2021 - June 2022)					
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	8	8	8
2	Khumalo SP	Yes	8	8	8
3	Ngwenya RD	Yes	8	8	8
4	Mabuza VB	Yes	8	8	8
5	Nkosi NP	Yes	8	8	8
6	Dube, SN	Yes	8	8	8
7	Manana BL	Yes	8	8	8
8	Methula ZC	Yes	8	8	8
9	Nkambule KV	Yes	8	8	8
10	Lulane SK	Yes	8	8	8
11	Makene J	Yes	8	8	8
12	Shiba XSG	Yes	8	8	8

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13	Hlatshwayo PT	Yes	8	8	8
14	Mauku BM	Yes	8	8	8
15	Mncina LM	Yes	8	8	8
16	Maisela SJ	Yes	8	8	8
17	Motaung, RM	Yes	8	8	8
18	Gininda O	Yes	8	8	8
19	Masuku BM	Yes	8	8	8
20	Mathebula, JT	Yes	8	8	8
21	Mbokane PS	Yes	8	8	8
22	Jele D	Yes	8	8	8
23	Nkosi PZ	Yes	8	8	8
24	Thwala SJ	Yes	8	8	8
25	Nkosi AJ	Yes	8	8	8
					TE

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2021-22 (Full List at Appendix O)				
R' 000				
No	Project Name and detail	Start Date	End Date	Total Value
1.	Upgrade of Eerstehoek bulk water supply scheme-phase 3	28/03/2022	28/03/2025	128 491
2.	Upgrade of Eerstehoek Bulk Water Supply scheme-Phase -1	2020/06/26	2023/06/25	93 871
3.	Upgrade of Eerstehoek Bulk Water Supply scheme-Phase -2	01/07/2020	30/06/2023	66 103
4.	Construction of Nhlazatshe Road (Re-advert)	19/03/2021	18/03/2024	35 961
5.	Construction of Silobela Access Road	30/08/2022	28/02/2025	34 390
6.	Construction of Dundonald Access Road	30/08/2022	28/02/2025	33 298
7.	Construction of Nhlazatje Road	29/10/2019	28/10/2022	30 470
				<i>T F.1</i>

APPENDICES

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	47 062	51 649	51 307	8 041	
Households without minimum service delivery	6 418	1 801	1 902	45 439	
Total Households*	53 480	53 480	53 480	53 480	
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T F.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2021/22
1.	Construction of High mast lights	Completed
2.	Upgrading of Silobela Substation	Completed
3.	Energy Efficiency Demand Side Management	Completed
4.	Construction of Silobela Sport Fields	Completed
		T F.3

APPENDICES

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

T.F.3

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2019/20

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
Resolution for the Minutes held on 27th July 2021	The Audit Committee recommended that there should be an engagement between the CFO, the PMS Manager, the Manager Internal Audit and the Audit Committee wherein the Committee will be reviewing the AFS and APR draft reports and the engagement should take place before 15th August 2021.	Yes
	That management should ensure proper reporting of performance.	Yes
	The Audit Committee recommended that Management should develop the implementation plan in terms of the LED strategy.	Yes
	Management should ensure that the leave on line system is functional	Yes
	The Audit committee recommended that there should be a report on the risks carried forward and also the changes in terms of the mitigation measures	Yes
	The audit committee recommended that management should ensure implementation of the POPI Act to avoid non-	Yes

APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	compliance.	
Special Audit Committee Meeting held on the 26 August 2021	The distribution losses calculation should be disclosed on the accounting policy.	Yes
	CFO and Finance staff should ensure that adequate documentation of its judgments regarding accounting estimates and complex accounting matters are prepared and signed off – this would include commitments, provisions (retentions), accruals and assets	Yes
	Management should review opening balances and compare prior audited AFS.	Yes
	Management should ensure that AFS comply with applicable Act and Standards (MFMA and GRAP)	Yes
	Management should ensure all the issues raised by the AGSA and Internal Audit in the past are addressed.	Yes
	All the inputs from Audit Committee, Internal Audit and Treasury must be implemented before the annual financial statements are submitted to the AGSA for audit by 31 August 2021	Yes
	The Portfolio of evidence should be prepared and verified accordingly.	Yes
	Management should ensure the actual performance reported is correct.	Yes

APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	Management to ensure that all reported deviations – the reasons advanced for such deviations must be supported by auditable evidence	Yes
Ordinary Audit Committee Meeting held on the 25 October 2021	Management should ensure the finalisation of the Data Cleansing Report.	Yes
	Management should submit the data cleansing report to council before the recommendations are implemented	Yes
	The Internal Audit 1st quarter report was noted by the Audit Committee	Yes
	The audit committee recommended that corporate services should ensure a stable internet connection within all municipal offices.	Yes
	That management should submit progress report on outstanding vacancies	Yes
Ordinary Audit Committee Meeting held on the 24 February 2022	The Audit committee recommended that management should develop a plan to phase out the Service providers who assisting the Municipality with the compilation of Fixed Assets register to ensure skills transfer	Yes
	The Audit committee recommended Management should share the observations made by Treasury on the Budget adjustment with the Audit Committee	Yes

APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	The Audit committee recommended management should develop a comprehensive plan with resources and specific timeframes to retrieve the documents to be used for the investigation of the UIFW.	The plan is currently being implemented and feedback is done weekly
	The Audit committee recommended Management should convene a meeting with the Mayoral committee, MPAC and Audit committee.	Yes
	The Audit Committee recommended that management should prioritise the payment of the amount owed to the Department of Labour.	Yes
	The Audit Committee recommended that Management develop a cyber security strategy	Currently the department is busy with benchmarking with other municipalities
Ordinary Audit Committee Meeting held on the 22 April 2022	The Audit committee recommended that management should separate the previously incurred irregular expenditure from the currently incurred as this would assist in determining where the controls are effective or less effective	Yes
	The Audit committee recommended that management submit the oversight report from the Provincial Treasury	Yes
	The Audit Committee recommended that Management should ensure that the Economic Growth strategy is developed in the municipality.	The municipality has made budget provision

APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	That management should make provision for the implementation of the LED Strategy	The municipality has made budget provision
	The Risk Management report was noted by the Audit Committee.	Yes
	The audit committee noted the report	Yes
	The Audit Committee members noted the report with concerns that most of the matters have been pending for a while with no way forward.	Yes
Special Audit Committee Meeting held on the 29 June 2022	Management should also consider the risk of human capacity within the Municipality, from top management down to lower levels, in terms of filling vacancies on time	Yes
	That management should add to the risks identified is the issue around obtaining a Clean Audit opinion	Yes
	In terms of strategic risks for global pandemic, management should take into consideration the current breakout of monkeypox.	Yes
	The Audit Committee recommended that management should include the remuneration for members as for their data uses when attending virtual meetings as to be approved by Council.	Yes
	Audit Committee recommended that the King iii reference	Yes

APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	should be updated to King iv	
	The Audit Committee recommended that there should a clause of POPI Act in the documents	Yes
	The Audit Committee recommended that the combined assurance framework and the terms of reference for the combined assurance framework should be submitted.	The Internal audit is currently in process of reviewing the draft combine assurance framework
	The Audit Committee recommended that Management should plan for the Audit of Supply Chain Management in the 4th quarter of 2022/23 financial year and include the hours planned	Yes
	The Audit committee approved the Risk based Internal Audit Plan 2022/3- and three-years Plan for Implementation.	Yes
	The Audit committee approved the internal audit methodology and internal audit charter 2022/233 for implementation.	Yes
	The Audit Committee recommended the Audit Committee Charter to council for approval	Yes
	The Audit Committee recommended that the update on the year-end process plan should be submitted in the next audit committee and the SDBIP should also be submitted for noting by the committee	Yes

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during 2021-22)				
				R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Contract value	Start date of Contract	Expiry date of Contract
Umthombo Engineers	Upgrade of Eerstehoek bulk water supply scheme-phase 3	128 491 124,40	28/03/2022	28/03/2025
GPTN Trading	Construction of Silobela Access Road	34 390 384,90	30/08/2022	28/02/2025
Nkululeko Project Management	Construction of Dundonald Access Road	33 297 865,73	30/08/2022	28/02/2025
IVE Engineering CC	Replacement of AC Pipe in Empuluzi Ward 4	15 637 214,70	30/08/2022	28/02/2023
Mgangatfo (PTY) LTD	Upgrading of Carolina Water Treatment Works	15 365 489,78	30/08/2022	31/04/2025
				<i>T H.1</i>

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	2018-19		2019-20		2020-21	2021-2022		
	(b) Service Targets	Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Chief Albert Luthuli does not have municipal entities	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
T /									

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2021 to 30 October 2021		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Clr D P Nkosi	Nil
Member of MayCo / Exco	Clr M P Magagula	Nil
	Clr N Mnisi-Nkosi	Nil
	Clr N V Makhubela	Nil
	Clr S Z Nkosi	Nil
Speaker of Council	Clr W M Mngomezulu	Nil
Chief Whip of Council	Clr L L Masuku-Sidu	Nil
Ward Councillors	Clr N R Cindi	Nil
	Clr J J Jele	Nil
	Clr M J Khumalo	Nil
	Clr E J Lubede	Nil
	Clr J S Mbhele	Nil

APPENDICES

Disclosures of Financial Interests		
Period 1 July 2021 to 30 October 2021		
Position	Name	Description of Financial interests* (Nil / Or details)
	Clr H L Z Mkhwanazi	Shares in SAB Dinaledi Senzele
	Clr S T Mnisi	Nil
	Clr R M Motaung	Nil
	Clr M S Mthembu	Nil
	Clr F S Mthombeni	Nil
	Clr N C Nhlabatsi	Shares at Sasol Khanyisa Owner of Blue moon tarven
	Clr Z S Ngoma	Nil
	Clr A Ngubeni	Nil
	Clr R D Ngwenya	Nil
	Clr A D Nkosi	Nil
	Clr G J Nkosi	Nil
	Clr J S Nkosi	Nil

APPENDICES

Disclosures of Financial Interests		
Period 1 July 2021 to 30 October 2021		
Position	Name	Description of Financial interests* (Nil / Or details)
	Clr T B Nkosi	Nil
	Clr T J Nkosi	Nil
	Clr T S Nkosi	Nil
	Clr V L Nkosi	Nil
	Clr M L Ntjana	Nil
	Clr L D Shabangu	Nil
	Clr J D Simelane	Nil
	Clr G G Zulu	Nil
Proportional Representative Councillors	Clr Z M Dludlu	Nil
	Clr P Z Hlabatsi	Nil
	Clr D P Khoza	Nil
	Clr M A Malaza	Nil
	Clr K A Matshaba	Shares in Guma Guest house and services

APPENDICES

Disclosures of Financial Interests		
Period 1 July 2021 to 30 October 2021		
Position	Name	Description of Financial interests* (Nil / Or details)
	Clr T G Mbuli	Nil
	Clr J C H Ndebele	Nil
	Clr B G Nkosi	Nil
	Clr S P Nkosi	Nil
	Clr J D Shongwe	Nil
	Clr N B Sikhakhane	Nil
	Clr M J Thabede	Nil
	Clr N G Thomo	Nil
	Clr L van der Walt	Nil
	Clr W Zulu	Nil
	Clr F C Zwane	Nil
T J		

APPENDICES

Disclosures of Financial Interests		
Period (1 November 2021 to 30 June 2022)		
Position	Name	Description of Financial interests* (Nil / Or details)
Executive Mayor	Nkosi, DP	Nil
Speaker	Gininda, SV	Nil
Whip of Council	Masuku-Sidu, LL	Nil
MPAC S79A	Motaung, RM	Nil
Mayoral Committee.	Mathebula, JT	Nil
	Zulu-Khumalo, GG	Nil
	Thomo, NG	Nil
	Dhlamini, ES	Nil
	Dube, SN	Nil
Councillors	Nkumane MJ	Nil
	Khumalo SP	Nil
	Ngwenya RD (Passed away on 23 March 2022)	Nil

APPENDICES

Disclosures of Financial Interests		
Period (1 November 2021 to 30 June 2022)		
Position	Name	Description of Financial interests* (Nil / Or details)
	Mabuza VB	Nil
	Nkosi NP	Nil
	Manana BL	Nil
	Methula ZC	Nil
	Nkambule KV	Nil
	Lulane SK	Nil
	Makene J	Nil
	Shiba XSG	Nil
	Hlatshwayo PT	Nil
	Mauku BM	Nil
	Mncina LM	Nil
	Maisela SJ	Nil

APPENDICES

Disclosures of Financial Interests		
Period (1 November 2021 to 30 June 2022)		
Position	Name	Description of Financial interests* (Nil / Or details)
	Gininda O	Nil
	Masuku BM	Nil
	Mbokane PS	Nil
	Jele D	Nil
	Nkosi PZ	Nil
	Thwala SJ	Nil
	Nkosi AJ	Nil
	Mbuli TG	Nil
	Sikhakhane NB	Nil
	Adams PP	Nil
	Phakathi FDM	Nil
	Thomo GP	Nil

APPENDICES

Disclosures of Financial Interests		
Period (1 November 2021 to 30 June 2022)		
Position	Name	Description of Financial interests* (Nil / Or details)
	Matshaba KA	Nil
	Nkosi DS	Nil
	Van Der Walt L	Nil
	Ndebele JCH	Nil
	Mbatha ME	Nil
	Thambekwayo MT	Nil
	Sithole BI	Nil
	Nkosi LNP	Nil
	Hlophe MP	Nil
	Nkambule TT	Nil
	Hlatshwayo CP	Nil
	Zwane FC	Nil

APPENDICES

Disclosures of Financial Interests		
Period (1 November 2021 to 30 June 2022)		
Position	Name	Description of Financial interests* (Nil / Or details)
TJ		

Disclosures of Financial Interests (Municipal Manager and Other section 57 Officials)		
Period 1 July 2021 to 30 October 2021		
Position	Name	Description of Financial interests* (Nil / Or details)
Municipal Manager	Mr M S Dlamini (1 July 2021-31 March 2022)	<ul style="list-style-type: none"> Director for Drive well motor spares CC Have shares in African Bank & Vodacom Director for Drive well motors & machinery Member of the Bright future Dlamini Family Trust
Municipal Manager	Mr ME Thabethe (1 June 2022- 30 June 2022)	
Chief Financial Officer	Mr. MGT Mnisi	Nil
Other S57 Officials		
	Mr J W Shabangu	Nil

APPENDICES

Disclosures of Financial Interests (Municipal Manager and Other section 57 Officials)		
Period 1 July 2021 to 30 October 2021		
Position	Name	Description of Financial interests* (Nil / Or details)
	Mr T A Lukhele	Inkululeko Ye sive
	Mr B C Mduyulwa	Nil

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2020-21	2021-22		2021-22 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Vote 1 - Planning and Economic Development	617	212	212	212	0%	0%
Vote 2 - Corporate Services	759 692	283	313	313	-630%	0%
Vote 3 - Financial Services	918 101	805 521	813 410	813 410	1%	0%
Vote 4 - Project Management Unit	85 419	–	–	–	0%	0%
Vote 5 - Municipal Manager	0	–	–	–	0%	0%
Vote 6 - Political Office	0	–	–	–	0%	0%
Vote 7 - Technical Services	33 038	105 753	104 971	104 971	-1%	0%
Vote 8 - Community and Public Safety Services	3 106	11 260	11 257	11 257		
Total Revenue by Vote	1 037 936	913 770	918 906	918 906	1%	0%

APPENDICES

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APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	2020-21	2021-22		2021-22 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	96 012	104 984	104 984	104 984	0%	0%
Service charges	56 421	106 063	106 063	64 716	-64%	-64%
Rental of facilities and equipment	1 965	15	134	134	89%	0%
Interest earned - external investments	7 240	-	190	190	100%	0%
Fines, penalties and forfeits	2 255	187	185	185	-1%	0%
Licences and permits	146	-	-	-	0%	0%
Other revenue	3 010	3 110	1 020	1 020	-205%	0%
Property rates - penalties imposed	53 715	34 344	8 042	8 042		
Donations	3 359			1 480		
Interest received - investments	-	2 171	179	7 240	70%	98%
Total Revenue (excluding capital transfers and contributions)	224 122	250 874	220 798	187 991	-33,45%	-17,45%

T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

APPENDICES

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust ments Budget	
Energy: Integrated National Electrification Programme						
<i>Electricity</i>	24 468	24 468	25 334	-4%	-4%	Electrical infrastructure
Regional Bulk Infrastructure Grant						
<i>Water infrastructure</i>	258 608	258 608	258 614	0%	0%	Internal infrastructure of water services
Energy Efficient Demand Side Management Grant						
<i>Electricity</i>	3 500	3 500	3 404	3%	3%	Energy efficient lighting technology
WSIG: Department of Water and Sanitation						
<i>Water</i>	64 000	64 000	64 000	-1%	-1%	Water infrastructure
Total	442 684	442 684	442 025	5%	5%	

APPENDICES

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COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The Municipality received R351m grants during 2021/22 other than MIG.

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APPENDICES

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

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

Capital Expenditure - New Assets Programme*							
							R '000
Description	2020-21	2021-22			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022-23	2023-24	2024-25
Capital expenditure by Asset Class							
Infrastructure - Total	–	417 079	438 923	448 982	344 887	314 030	103 451
Infrastructure: Road transport - Total	–	25 000	23 141	40 686	26 000	10 000	18 614
<i>Roads, Pavements & Bridges</i>		25 000	23 141	40 686	26 000	10 000	18 614
Infrastructure: Electricity - Total	–	19 968	35 968	35 968	28 000	37 030	41 568
<i>Generation</i>		8 468	24 468	24 468	20 000	27 030	32 539
<i>Street Lighting</i>		11 500	11 500	11 500	8 000	10 000	9 028
Infrastructure: Water - Total	–	336 608	335 259	329 259	237 887	235 000	23 269
<i>Water purification</i>		336 608	335 259	329 259	237 887	235 000	23 269
Infrastructure: Sanitation - Total	–	35 503	44 555	43 069	42 000	20 000	20 000
<i>Reticulation</i>		35 503	44 555	43 069	42 000	20 000	20 000
Infrastructure: Other - Total	–	–	–	–	11 000	12 000	–
<i>Waste Management</i>					5 000	7 000	
<i>Other</i>		–	–	–	6 000	5 000	0
Community - Total	–	–	–	–	12 720	29 000	20 000
<i>Sportsfields & stadia</i>		–	–	–	5 720	10 000	10 000
<i>Other</i>		0	0	0	7 000 000	19 000	10 000
<i>Table continued next page</i>							T M.1

APPENDICES

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

There were no capital renewal programme during the year under review other than those listed in appendix M(I) above

APPENDICES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2021/22

Capital Programme by Project: 2021-22					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
Upgrade of Carolina Water Treatment Works	11 000	3 500	936	-274%	-1075%
Replacement of AC Pipes for Ekulindeni	3 000	3 595	3 595	0%	17%
Non-Revenue Water & Revenue Enhancement Programme for the scheme in CALLM	64 000	64 000	64 000	0%	0%
Replacement of AC Pipes in Empuluzi Water Scheme	-	5 555	2 119	-162%	100%
Upgrade of Eerstehoek, Empuluzi and Methula Bulk Water Supply	258 608	258 608	258 608	0%	0%
Sanitation/Sewerage					
Upgrading of Empuluzi WWTW	12 000	14 500	14 500	0%	17%
Upgrading of Elukwatini WWTW	12 000	12 000	12 000	0%	0%
Construction of Smartsan Toilets	11 502	18 054	16 568	-9%	31%
Electricity				0%	0%
Installation of Highmast Lights	8 000	8 000	8 000	0%	0%
Upgrading of Silobela Electricity Substation	8 468	22 600	22 600	0%	63%
Electrification of Goedehoop farm, Ontbekend farm, Nkomeni and Emanzana	-	1 868	1 868	0%	100%
Repairs & Maintenance of Highmast Lights	3 500	3 500	3 500	0%	0%
Roads and Stormwater					
Construction of Dundonald Road	-	6 000	5 282	-14%	100%
Construction of Silobela Road	10 000	5 300	3 162	-68%	-216%
Construction of Nhlazatshe Access Road	8 000	10 992	10 992	0%	27%
Construction of Fernie Ringroad Road	7 000	849	312	-172%	-2141%
T N					

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2021/22

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Capital Programme by Project by Ward: 2021/22		
R' 000		
Capital Project	Ward(s) affected	Works completed
		(Yes/No)
Upgrading of Carolina Water Treatment Works: Phase 4	15, 21 & 22	No
Replacement of AC Pipes at Ekulindeni Water Scheme	12	No
Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM	10, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24 & 25	No
Refurbishment of Eerstehoek Water Scheme.	All	No
Upgrading of Empuluzi Waste Water Treatment Works (WWTW)	4,5,7,9 & 11	No
Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	10,13,14, 16,18,20,24 & 25	No
Installation of Smartsan or Environsan Toilets	To be Determine after Community Consultation	No
Construction of Glenmore Ring Road	11	No

APPENDICES

Construction of Fernie Ring Road	3	No
Construction of Paving Road in Nhlazatshe	24	No
Construction of High mast lights	5, 10, 15, 22 & 24	Yes
Upgrading of Silobela Substation	15,21&22	Yes
Energy Efficiency Demand Side Management		Yes
Construction of Silobela Sport Fields	15&22	Yes
		TO

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Information not available at the municipality as the services at schools and clinics are offered by the department of Education and Health				
Clinics (NAMES, LOCATIONS)				

APPENDICES

Information not available at the municipality as the services at schools and clinics are offered by the department of Education and Health

The Municipality does not offer basic services to schools and clinics as these services are provided by the Department of Basic Education and Department of Health respectively.

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APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	Service is officered by the Department of Health	Information not available at the municipality
Housing:	Service is officered by the Department of Human Settlement	12 246 (Community Survey 2016)
Licencing and Testing Centre:	None	None
Reservoirs	None	None
Schools (Primary and High):	None	None
Sports Fields:	None	None

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APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2021/22				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2019/20 R' 000	Total Amount committed over previous and future years
Municipality did not make loans or grants during the year under review.				
* Loans/Grants - whether in cash or in kind				T R

APPENDICES

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

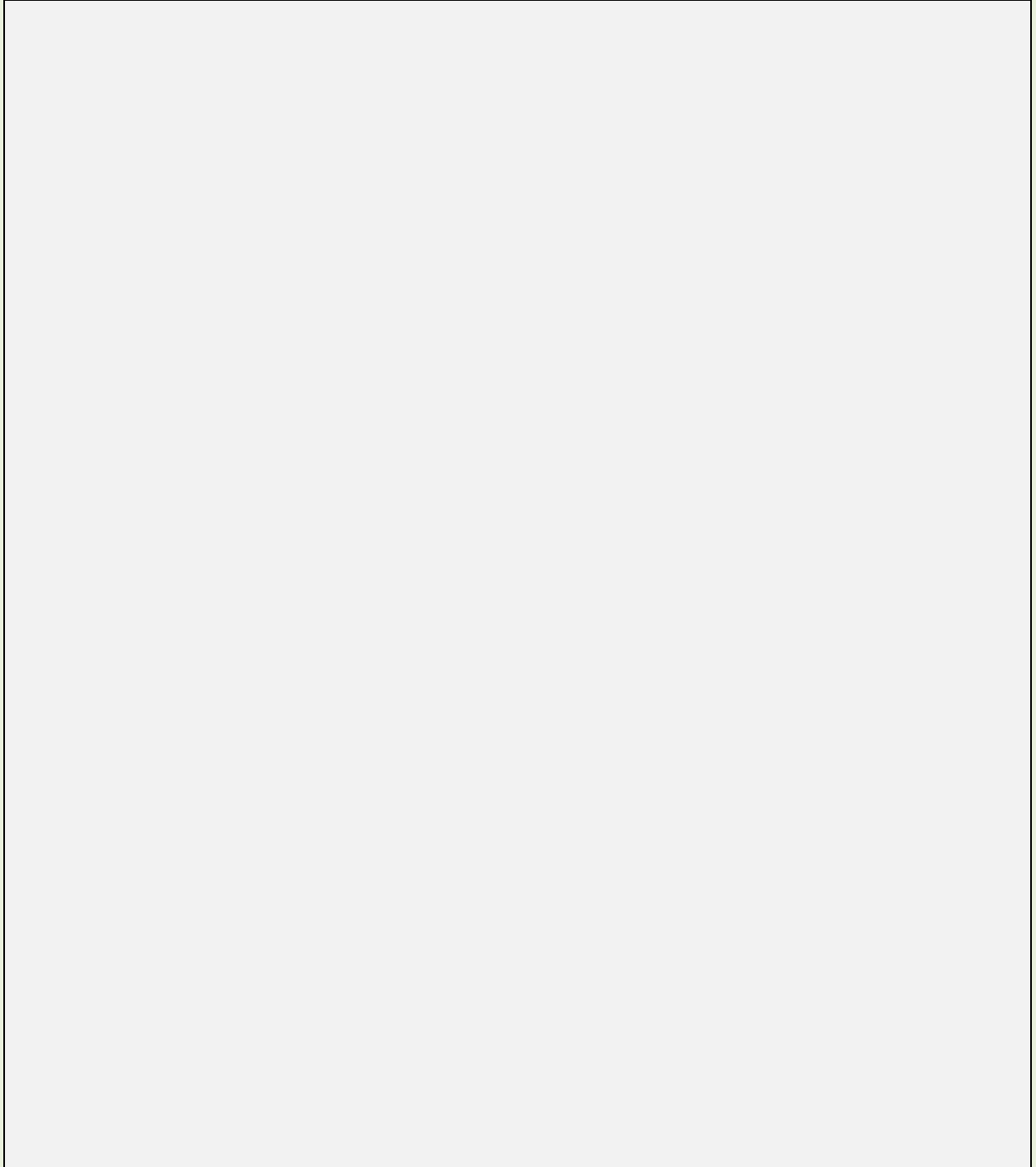
National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services:		
Water	The Municipality supplies basic water within the RDP standard to almost 95% of households (39,016 households)	88%
Sanitation	The proportion of households with access to basic sanitation is 91%, which is more than 43,000 households	97%
Electricity	The Municipality provides access to electricity to 98% households, and households without electricity are now less than 1,800 according to the SA Statistics 2016 community survey	96%
Refuse	The municipality is unable to service majority of the areas within the municipal demarcation due to capacity constraints coupled with the fact that most of these areas are rural	15%
Output: Implementation of the Community Work Programme	The municipality created 282 jobs during the year under review through EPWP.	282
Output: Deepen democracy through a refined Ward	The municipality has had over 300 community engagement throughout all its 25 wards via monthly ward committee meetings handled by Municipal	300

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Committee model	Councillors.	
Output: Administrative and financial capability	The municipality has improved its cash flow in the bank from 50 million to 97 million during the year under review	97 000 000
		<i>T S</i>

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS



APPENDICES

