CHIEF ALBERT LUTHULI MUNICIPALITY



ANNUAL REPORT

2022/2023

"A transparent innovative Municipality that serves its people."

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Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD



It is an honour and a great pleasure to present, on behalf of Chief Albert Luthuli Municipality and all its stakeholders who have played a vital role in the performance of the municipality, the Annual Report for the 2022/2023 financial year.

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

Vision

Our vision statement indicates that we are striving to be a transparent, innovative, and developmental municipality that improves the quality of life of its people. As we are continuing with the political term of the council, we are mindful of this vision statement of being open and transparent in discharging our duties, hence we are presenting the Annual Report to the masses of our people. It is not only compliance with legal statutory requirements, but also our moral high ground that we should account to our communities for our decisions and spending. This 2022/23 Annual Report of Chief Albert Luthuli Municipality, which reflects our service delivery and development achievements and challenges, is

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

Key Policy Developments

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

Key Service Delivery Improvements

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

- Improved access to electricity to communities that were previously deprived of the service;
- Improved access to waste management through regular refuse removal and health compliance inspections.
- Expanded the provision of clean potable water to certain areas of the municipality and installed water meters to control the usage of water.
- Provided an entrepreneurial development initiative through our infrastructure development and other ventures.
- Provided a platform for communities to engage the municipality through Izimbizo, notices, media statements, website, and general community meetings;
- Increased the social assistance net by registering communities as indigent for easy access to municipal services.
- We have a functional Local AIDS Council to mitigate and deal with the effects of HIV/AIDS and other opportunistic infections.
- We have a functional mining and local economic development forum to mitigate the effects on our society of the triple challenges which are poverty, unemployment, and inequality.
- We also maintained an unqualified audit opinion with few matters in 2019.

Public Participation

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

Future Actions

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

Agreements / Partnerships

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

Conclusion

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

Vandalism and theft are unfortunately a growing problem in parts of the municipal area which is costing the Municipality a substantial amount of money annually. The time has come for a major educational drive to address this problem and to convince communities that vandalism is to their own detriment. The 2022/23 financial year was a challenging period for the local government sphere, especially with the power crisis that forced the municipality to find alternative ways to continue operations to continue providing services.

The Year ahead

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

- Stabilizing the administration by filling key strategic vacancies.

- Sourcing available national and international funding to augment key service delivery projects and replace aging and poor infrastructure.
- Strengthen the Ward Committee System to enhance effective public participation.
- Making the vision and mission of the municipality our motto to provide a strategic thrust for the Municipality's long term development planning.
- Addressing irregular, fruitless, and wasteful expenditure and improving the audit opinion raised by the Audit-General and introducing corrective measures towards obtaining a clean audit.
- Paying our service providers within 15 days.
- Vigorously instilling a culture of performance within the institution.
- Promoting financial discipline and management.

Lastly, we plead with our communities to be active citizens by participating in their development through statutory platforms that are ward committees, CDW's and so forth.
Finally, I would like to express my sincere gratitude to all Councilors, officials, and the residents of Chief Albert Luthuli Local Municipality area for their dedication, support, and co-operation, which enable the institution to excel and withstanding all challenges.

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

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



Cllr D P Nkosi
Executive Mayor

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



This Annual Report for the 2022/2023 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, upgrading of Mpuluzi/ Methula Bulk water supply scheme phase five (5), Six (6) and Seven (7) funded by the Regional Bulk Infrastructure Grant (RBIG). Needless to mention, these schemes are 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 Municipality is aiming to continuously strive towards the realisation of the municipality's vision to be "the transparent, innovative, and developmental municipality that improves the quality of life for its people". We are confident that our current staff is competent, capable, and disciplined enough to rise to the occasion and successfully fulfil this vision. Nevertheless, we remain enthusiastically hopeful, accepting the challenge at hand to redress the root causes in our quest to achieve sound financial management and reporting.

Chapter 1

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 Three conventional wastewater treatment work (considering the 2 recently completed WWTW) and two biological sewer ponds. As such, most of the households are not connected to the sanitation grid due to the design capacity of the existing infrastructure. However, 500 VIP toilets were constructed during 2022/23 financial year to attend to the backlog on sanitation services. Currently, the municipality is providing sanitation services to at least 53 443 households.

The Municipality had the following capital projects that were approved by Council for the 2022/23 financial year in an effort to reduce this backlog:

- Completion the Upgrading of the Eerstehoek Wastewater Treatment Works.
- Completion the Upgrading of the Mpuluzi Wastewater Treatment Works.
- Construction of 500 VIP toilets.

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.
- Kiosks were replaced in Carolina CBD.
- 500 new households were electrified through INEP Program.

FINANCIAL VIABILITY AND FINANCE MANAGEMENT

The 2022/2023 revenue decreased, and expenditure increased as outlined in the financial statements as compared to the previous year. This resulted in the operating surplus of R213 875 903, representing a decrease of R91 182 115 from the 2021/22 financial year. Total revenue decreased by 6% from R1 003 297 673 in 2021/22 to R945 495 687 in 2022/23. The total expenditure increased by 5% from R698 239 655 in 2021/22 to R731 619 784 in 2022/23, as reflected in the Statement of Financial Performance in the Annual Financial Statements.

The Municipality's cashflow has decreased from R26 million to R4 million. This represents a regression of R22 million (85%). 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.

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

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

GOOD GOVERNANCE and PUBLIC PARTICIPATION

Good Governance and Public Participation

The Local government, being the sphere of government that exists closest to the people of a state, has often been described as the most important sphere of government.
Since municipal institutions affect the lives of all people living within that territory of the state, they are rightly regarded as the backbone of a balanced democracy.

If the local sphere of government does not function properly, the state, broadly construed, will not functional optimally.

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

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

Good governance facilitates the delivery of essential services for citizens and is vital for socio-economic welfare and development.

In South Africa, the importance of efficient governance is underscored by the proximity of local government to the people: the epicentre of service delivery.

Local governance discussions usually focus on public administration, factoring in transparency, accountability, and efficiency.

Public Participation

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

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

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

LOCAL ECONOMIC DEVELOPMENT

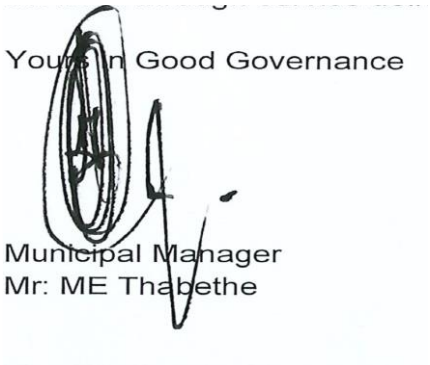
The Local Economic Development (LED) Forum was launched in 2023, and local economic sectors such as Mining, Cooperatives, SMME's, Agriculture, Transport, Department for Small businesses Development, and Tourism were engaged throughout the year. In addition, several SMME's and Cooperatives were appointed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

The number of jobs created through the infrastructure development programmes totalled 3, 239 (from CWP Carolina, Tjakastad, and Nhlazatshe), 250 CALM EPWP, 280 through poverty alleviation projects and 31 Siyathuthuka participants.

SPATIAL PLANNING and LAND USE MANAGEMENT

The Spatial Development section is responsible for managing the land use within the Municipality. The section further engages with the various stakeholders who are involved in land development, as its purpose is to identify suitable land for the various land uses and ensure that integrated human settlements materialise. The Municipality is responsible only for the monitoring and implementation of the Municipality's Spatial Development Framework and Land Use Management System. The Municipality is also responsible for the monitoring of the housing projects and the development of housing plans, which are funded by the Provincial Department of Human Settlement. Several housing projects comprising 206 housing units which are monitored. The Department of Human Settlements appointed a service provider to develop a 5-year housing plan and the Municipality is in a process of implementing the Housing Chapter that was adopted in 2022, which is valid until 2027

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



T 1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION

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

Council established Section 80 committees, comprising six (6) councillors, tasked with the oversight role on behalf of the Executive Mayor, as well as eight (6) Section 79 Committees to play a political oversight role on the functions of the Council. These Committees include the Municipal Public Accounts Committee (MPAC) and the Rules and Ethics Committee. Council further established other independent committees, such as the Audit Committee (AC) and the Risk Management, Anti-Fraud, and Anti-Corruption Committee, which play a technical role in assisting Council in executing its functions.

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

A Municipal Manager (MM), who is the Accounting Officer, heads the administration function of the municipality. The Municipal Manager is assisted by five Directors (Section 56 employees) and a staff complement of over 485 with proper organisational structure and job descriptions. The delegation of authority document was approved by Council and is being implemented.

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

The CALM population is increasingly under pressure due to population growth. According to Statistics South Africa, in 2016, the total population in CALM was approximately 187 629, with a 0.2% growth between 2011 and 2016. As a result, the municipality is now ranked as the 10th largest population in the province and makes up 4.3% in the province (as per 2016 community survey).

The population of CALM is projected to be 174 241 people in 2030, which shows a decline share of Mpumalanga population. Employment rate. The municipality has over 53 480 HHs with access to essential municipal services. The main economic activities are coal, mining, forestry, and agriculture.

Chapter 1

INTRODUCTION TO BACKGROUND DATA

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

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

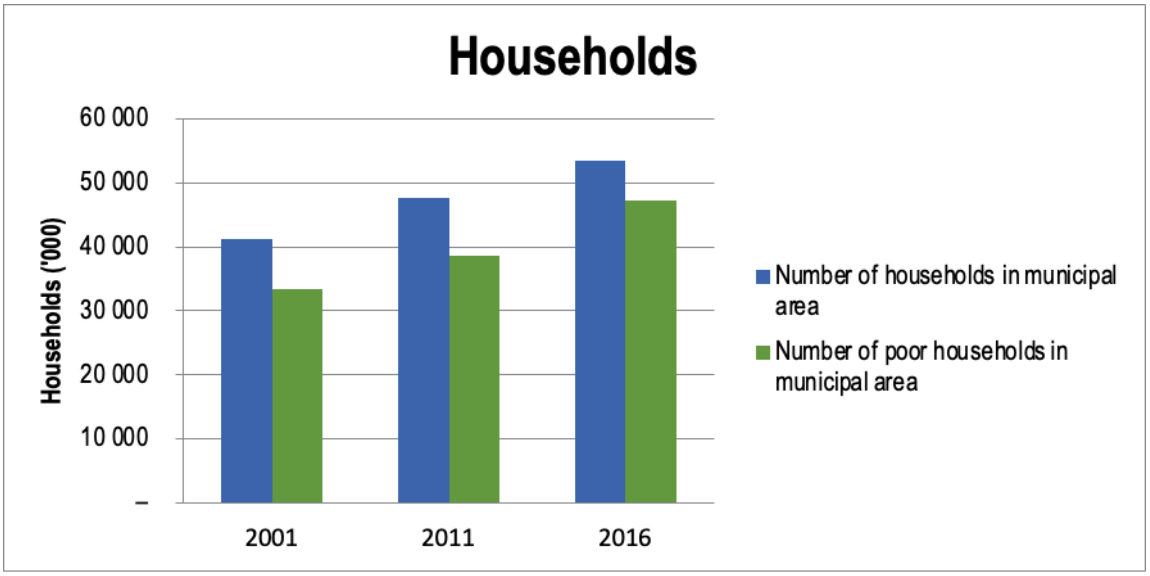
Other key features of the Municipality include forestry areas in the central and southern parts of the Municipality, the Nooitgedacht and Vygeboom Dams, a river system, as well as the edge of a greater wetland region. Economic activities that are dominant spatially in the Municipality include agriculture,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



T 1.2.1

Population Distribution by Age (Census and 2016 Community Survey)						
Age	2011			2016		
	Male	Female	Total	Male	Female	Total
Age: 0 - 4	11877	11537	23414	10958	11056	22014
Age: 5 - 9	11183	11153	22336	10859	10204	21063
Age: 10 - 14	11179	10873	22052	10353	10469	20822
Age: 15 - 19	11818	11745	23563	11180	11116	22296
Age: 20 - 24	9015	9704	18719	9287	9632	18919
Age: 25 - 29	6874	7828	14702	7734	9340	17074
Age: 30 - 34	4688	5455	10143	5832	7170	13002
Age: 35 - 39	3908	4908	8816	4256	5263	9519
Age: 40 - 44	3385	4813	8198	3422	4764	8186
Age: 45 - 49	2980	4471	7451	3293	4241	7534
Age: 50 - 54	2627	3934	6561	2811	3520	6331
Age: 55 - 59	2244	3499	5743	2372	3105	5477
Age: 60 - 64	1788	2657	4445	1908	2823	4731
Age: 65 - 69	1309	1787	3096	1768	2490	4258
Age: 70+	2313	4460	6773	2354	4053	6407
Total	**87188**	**98824**	**186012**	**88387**	**99246**	**187633**

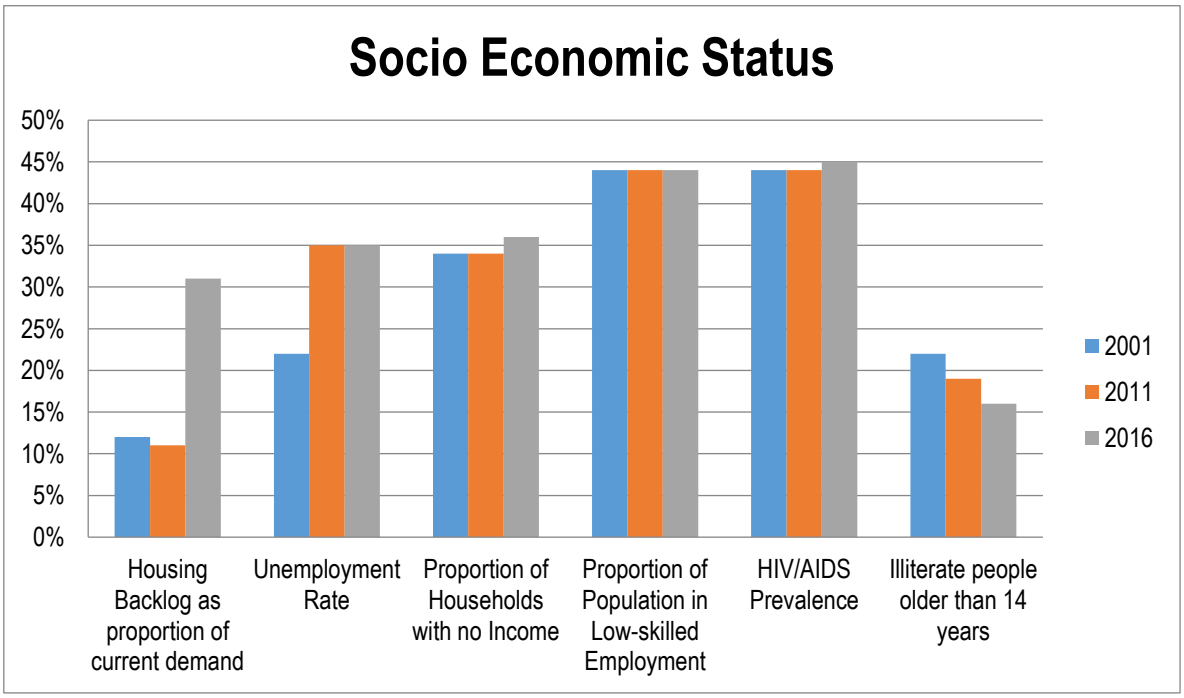
Source: Statistics SA
T 1.2.2



T1.2.3

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%

T 1.2.4



T 1.2.5

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
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
Engonini	118	427
Enkhaba	123	525
Esgwili	538	2504
Etjelembube	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
Manaar	222	965
Manzana	1970	6922
Maphundlwane	353	1318

Overview of Neighbourhoods within the Chief Albert Luthuli Municipality		
Settlement Type	**Households**	**Population**
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
Nooitgedacht Dam	32	50
Northdene	81	388
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
		T 1.2.6

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
	T 1.2.7

COMMENT ON BACKGROUND DATA

The municipality uses the 2016 census data as the basis for planning together with the CALM administration data.

T 1.2.8

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

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

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

T 1.3.1

The proportion of HHs with Minimum Level of Basic Services

Municipality	Services	Total number of HHs	Number of HHs with Access	%	Number of HHs without Access	%
CALM	Water	53 480	53 480	100%	0	0%
CALM	Sanitation	53 480	53 282	99,6%	198	0,37%
CALM	Electricity	53 480	52 849	98,8%	631	1,2%
CALM	Refuse removal	53 480	15082	28,2%	38 398	71,8%

T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES

The Municipality supplies basic water within the RDP standard to almost 89,9% of 53 480 households with piped water inside dwelling/yard. 6.4% of households have access to water through Boreholes and the remaining 3.7% households have access to water through water tankers.

The Municipality provides access to electricity to 98,8% households, and households without electricity are now less than 631, according to the SA Statistics (2016) Community Survey. Completed electricity smart meter installation totalled 219 and 650 public lights were maintained during the year under review.

The proportion of households with access to basic sanitation is 100%, where 40 252 (75,3%) households have access to waterborne/flush toilets, 1 498 (2,8%) households have access to sanitation through septic tanks & chemical toilets, 11 532 (21,6%) households have access to VIP toilets and 198 (0,4%) households have access to pit (non-VIP) toilets.

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

T 1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The Municipality 's liquidity ratio is at 0.9, cost coverage at 0.8, total outstanding service debtors is at 60%. The Municipality's liquidity ratio is mainly negatively affected by the low revenue collection and as a result the cost coverage is also affected. The total outstanding service debtor's percentage is also a reflection of a high debt book due to difficulty in collection. Measures such as blocking system are being implemented to boost collection.

T 1.4.1

Financial Overview: 2022/23			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	730 055	730 055	759 759
Taxes, Levies and tariffs	244 781	247 032	160 237
Other	41 718	39467	25 498
Sub Total	1 016 554	1 016 554	945 494
Less: Expenditure	1 016 047.00	1 016 047.00	731 619
Net Total*	507	507	213 875

T 1.4.2

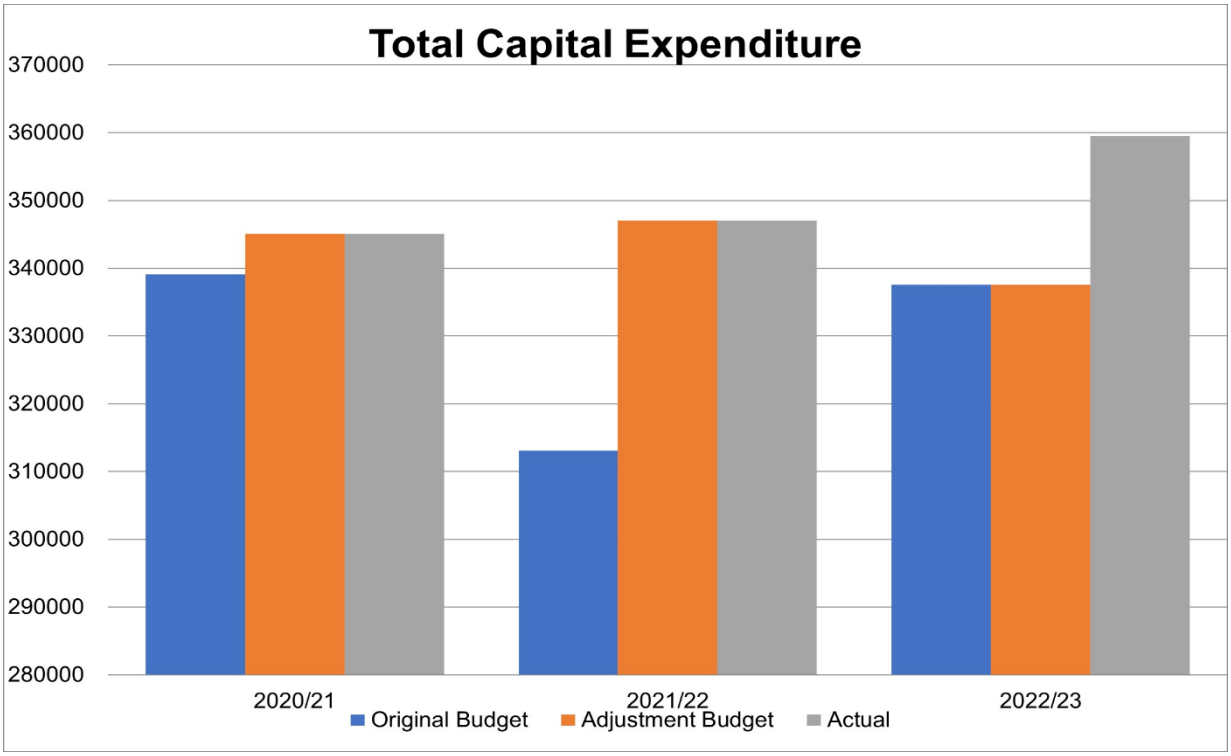
Operating Ratios	
Detail	**%**
Employee Cost	34%
Repairs & Maintenance	8%
Finance Charges & Impairment	6%
	T 1.4.3

COMMENT ON OPERATING RATIOS

Employee Costs expected to be approximately 34% to total operating cost; 'Repairs and maintenance' 8%; Finance Charges and Impairment 6%. The repairs & maintenance budget percentage to operating budget is lower than the expected norm due to large capital expenditure invested on asset renewal projects.

T 1.4.3

Total Capital Expenditure: 2020/21 to 2022/23			
			R'000
Detail	**2020/21**	**2021/22**	**2022/23**
Original Budget	339 072	313 076	337 596
Adjustment Budget	345 123	347 076	337 596
Actual	345 123	347 076	359 496
			T 1.4.4



COMMENT ON CAPITAL EXPENDITURE

In the year under reporting (2022/23), no changes were affected on the adjustment budget. The approved conditional grants allocation was subsequently increased after the budget adjustment from R337 000 000 to R359 000 000 which affected the actual expenditure at year end.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipal organisational structure provides for 521 (463 funded) permanent positions. By financial year-end, 485 positions were filled, with a staff turnover of 5%. New appointments are made taking into consideration the implementation of the Employment Equity Act 55, 1998. According to the demographic profile of the municipality, black employees constitute 99,6%, coloured 0,4%, Asian 0%, and white 0%. Male employees constitute 48% and female employees constitute 53,4% respectively.

The Municipal Manager is the Head of Administration assisted by four (5) Directors, who are responsible for the departments under their directorates.

The Executive Mayor is the political Head and is assisted by six Members of the Mayoral Committee.

T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 2022/23

The Municipality received a qualified audit opinion in the year under reporting (2022/2023 financial year). The Basis for qualification was mainly due to limitation of scope on receivable form exchange transactions, statutory receivables, service charges, taxation revenue, interest received from exchange transactions, service charges, and debt impairment. The Municipality did not have relevant documentation (i.e. consumer statements & billing reports) that were required by the auditors for audit purposes due to a legal dispute with the financial system provider who withheld the information.

T 1.6.1

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

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

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

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

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Municipality adopted an Executive mayor 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 councilors, with the specific purpose of providing the 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. Input from the ward committees are discussed in Council meetings so that they receive the necessary attention.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

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

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

T 2.1.0

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

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

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

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

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

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

• In commensuration with the Local Government: Municipal Structures Act (Act 117 of 1998) and the Local government: Municipal Systems Act (Act 32 of 20000, the municipal council has successfully established council committees as per the requirements of Section 79 and Section 80 of the Local Government: Municipal Structures Act (Act 117 of 1998).
• Terms of Reference for orderly and proper constitution of the Committees were adopted by the municipal council to ensure oversight and accountability.

• Chairperson of Municipal Public Accounts Committee (MPAC) was appointed as full-time office bearers and other chairpersons of Section 79 Oversight Committees were appointed on a part-time basis.
• Audit and Risk Management Committees were established. These impartial statutory structures have been established to principally to provide oversight on financial and performance reporting information and allied internal controls in the institutions. These structures are fully functional, and they report to the municipal council on a quarterly basis.
• All the Council Committees have been able to present oversight reports in ordinary council meetings at least once per quarter.
• The municipal council has been able to adopt the oversight report on the Annual Reports as required by the MFMA.

T 2.1.1

POLITICAL STRUCTURE

THE EXECUTIVE COMMITTEE



EXECUTIVE MAYOR
Councillor D.P. Nkosi

The Executive Mayor:

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

Chapter 2



SPEAKER
Councillor S.V. Gininda

The Speaker of the Council:

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



CHIEF WHIP
Councillor L.L. Sidu

The Council Whip may:

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

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MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE



Corporate Services
Councillor J.T. Mathebula

As a member of the Mayoral Committee:

- 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.



Finance Services
Councillor E.S. Dhlamini

As a member of the Mayoral Committee:

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



Community Safety Services
Councillor G.G. Zulu

As a member of the Mayoral Committee:

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



Technical Services & PMU
Councillor S.N. Dube

As a member of the Mayoral Committee:

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

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



Planning and Economic Development
Councillor S.P. Nkosi

As a member of the Mayoral Committee:

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



Special Programme
Councillor N.G. Thomo

As a member of the Mayoral Committee:

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

T 2.1.1

COUNCILLORS



The Demarcation Board designated the Municipality as a municipality with 49 councillors of whom 25 are wards councillors. The MEC for CoGTA, the Honorable Mandla Ndlovu, designated full-time councillors, being the Executive Mayor, three Members of the Mayoral Committee, the Speaker of Council, and the Council Whip. 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 determination of upper limits and approved as such. The Municipal Council then designated the Chairperson of the Municipal Public Accounts Committee as a full-time councillor.

Refer to **Appendix A** for the full list of Councillors (including committee allocations and attendance at council meetings).
Also refer to **Appendix B** for the list of committees and its purposes.

T 2.1.2

POLITICAL DECISION-TAKING

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

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

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

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

T 2.2.1

Chapter 2

ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER
Mr. M.E Thabethe

Duties:

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



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

Duties:

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



DIRECTOR: CORPORATE SERVICES
Mr S.S. Sibeko

Duties:

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



DIRECTOR: COMMUNITY SAFETY SERVICES
Mr. S.I Malaza

Duties:

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

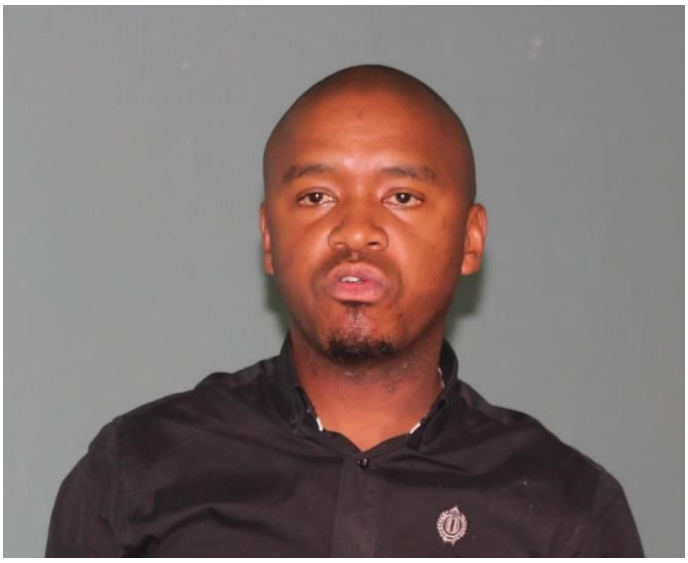


DIRECTOR: TECHNICAL SERVICES
Mr. M.P. Magubane

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).
- Co-ordinates municipal infrastructure.
- Co-ordinates municipal fleet.



DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT
Mr. L.T. Motloung

Duties:

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

Chapter 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

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

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

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

T 2.3.1

Chapter 2

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

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

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

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

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

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Chief Albert Luthuli Municipality does not have municipal entities.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

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

T 2.3.4

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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

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

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

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

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

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

IDP Representative Forum (IDPRF) Meetings

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

T 2.4.1

WARD COMMITTEES

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

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

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

T 2.4.2

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

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Public meetings are very effective and are attended by a number of stakeholders, such as sector departments, members of the community, community development workers, and ward committees from the 25 wards of the Municipality. Councilors and ward committee members of the Municipality are provided with transportation to public meetings by the Municipality. At public meetings, members of the community have the opportunity to interact with their leaders, and their inputs are taken into consideration when the IDP or Budget is being finalized.

T 2.4.3.1

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?	No

** Section 26 Municipal Systems Act 2000*

T 2.5.1

Chapter 3

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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

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

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

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

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

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

Risk management is an important aspect of the day-to-day activities of the Municipality, which is exposed to risk both in terms of threats to the provision of services and the potential for lost opportunities. It is essential that the Municipality 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 has been prepared as a reflection of the work performed during the 2022/23 financial year, which ended 30 June 2023. Its purpose is mainly to provide information on the benefits and effectiveness of the risk management function. In addition, the Annual Report serves to inform stakeholders on the progress that the Risk Management Section has made in the achievement of its objectives.

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

To give effect to the above, the Municipal Manager established the Risk Management Committee in the Municipality. The Committee had four (4) meetings in the 2022/23 financial year. A schedule of Risk Management Committee meetings was developed to ensure that the Committee meets its obligations.

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

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

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

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

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

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

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

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

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

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

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

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

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

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

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 2022/23					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes/No)**	**Date of Publication**
Chief Albert Luthuli Local Municipality resolution on levying property rates in terms of section 14 of the local government: municipal property rates act, 2004 (act no. 6 of 2004)	Yes	Yes	13 June 2023	Yes	13 June 23

COMMENT ON BY-LAWS

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

T 2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	1-Mar-23
All current budget-related policies	Yes	1-Jun-23
The previous annual report	Yes	1-Apr-23
The annual report published/to be published	Yes	After approval by Council
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards.	Yes	Annual
All service delivery agreements	Yes	Annual
All long-term borrowing contracts.	Yes	n/a
All supply chain management contracts above a prescribed value (give value) for Year.	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2021/22	Yes	1-Jun-23
Contracts agreed in 2022/23 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 2022/23	Yes	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during 2022/23	Yes	Quarterly

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

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

The following documents are available on the website:

(a) Integrated Development Plan (IDP)
(b) Service Delivery Budget implementation Plan (SDBIP)
(c) Performance Contracts and Agreements for s54A and 56 Managers
(d) Budget and Budget related policies
(e) Annual Financial Statements
(f) Annual Reports
(g) Tenders
(h) By-Laws and other related information

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICE

PUBLIC SATISFACTION LEVELS

The municipality is committed to increasing service delivery, which requires a deeper insight into the level of satisfaction of its community. To achieve this goal, the municipality has undertaken to conduct a Community Satisfaction Survey. The survey was conducted across all 5 units offices which includes Carolina, Emanzana, Elukwatini, Ekulindeni and Empuluzi. However, no response from the community was received.

T 2.11.1

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

INTRODUCTION

The main basic services rendered by the services directorate of CALM include water, sanitation, electricity, and refuse removal. The municipality is both a WSA and Water Service Provider, hence it is mandated to provide water and sanitation to its community. The funding for the provision of basic

services is sourced from internal reserves, municipal funds, the Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG) and the Integrated National Electrification Programme (INEP.

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

T 3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

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

Section 46 of the MSA states that:
“A municipality must prepare for each financial year a performance report reflecting the performance of the municipality and of each external service provider during that financial year, as well as a comparison of the performances referred to paragraph (a) with targets set for and performances in the previous financial year and measures taken to improve performance”.

An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the MFMA. Section 121(1) of the MFMA requires that, “every municipality and every entity must for each financial year prepare an annual report”. The Council of a municipality must, within nine months after the end of a financial year, deal with the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, in accordance with Section 129.

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

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

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

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



T 3.1.0

Chapter 3

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 within the RDP standard to almost 89,9% of 53 480 households with piped water inside dwelling/yard. 6.4% of households have access to water through Boreholes and the remaining 3.7% households have access to water through 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 Empuluzi, 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 2022/23 financial year:

• Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Mℓ/day

• Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04

• Installation of the different sizes of the water pipelines, Installation of the valves, installation of water meters, connection to the existing network, pipe marking

• Eerstehoek Bulk Water Scheme - Phase 3 and Phase 4

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2023	0	0	0	44212	0
2022	0	0	0	44124	0
2021	0	0	0	44124	0

T 3.1.2

COMMENT ON WATER USE BY SECTOR

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

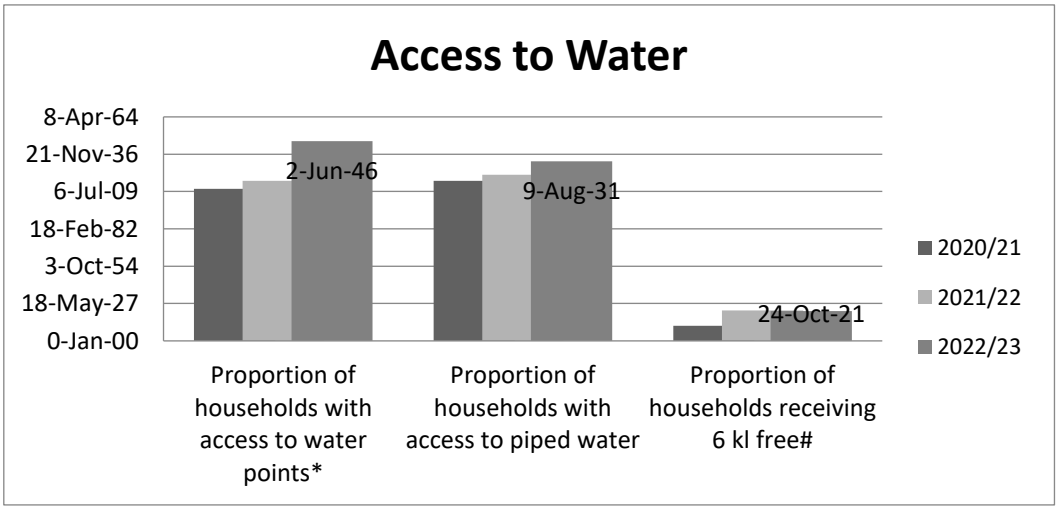
Lastly, the prevailing drought condition has not spared the Municipality. Our major rivers continue to drop at alarming rates, and boreholes are drying up. As such, the importance of conserving water and reducing water losses cannot be over-emphasised.

T 3.1.2.2

Water Service Delivery Levels			
			Households
Description	2020/21	2021/22	2022/23
	Actual	Actual	Actual
	No.	No.	No.
Water: **(above min level)**			
Piped water inside dwelling	12 429	20 240	21 828
Piped water inside yard (but not in dwelling)	28 303	22 644	21 828
Using public tap (within 200m from dwelling)	6 330	4 330	4 828
Other water supply (within 200m)			
Minimum Service Level and Above sub-total	47 062	47 705	48 484
Minimum Service Level and Above Percentage	88%	89%	91%
Water: **(below min level)**			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling	6 418	5 775	4 996
No water supply			
Below Minimum Service Level sub-total	6 418	5 775	4 996
Below Minimum Service Level Percentage	12%	11%	9%
Total number of households*	**53 480**	**53 480**	**53 480**
** - To include informal settlements*			*T 3.1.3*

Households - Water Service Delivery Levels below the minimum			
			Households
Description	**2020/21**	**2021/22**	**2022/23**
	Actual	**Actual**	**Actual**
	No.	**No.**	**No.**
Formal Settlements			
Total households	53 480	53 480	53 480
Households below minimum service level	6 417	5 882	4 996
Proportion of households below minimum service level	12%	11%	9%

Access to Water			
	Proportion of households with access to water points*	**Proportion of households with access to piped water**	**Proportion of households receiving 6 kl free#**
2020/21	40 732	42 884	4 073
2021/22	42 850	44 495	8 118
2022/23	53 480	48 069	7 968
			T 3.1.5



Water Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**
Service Objective							
To ensure provision of basic services	Number of mega litres of portable water distributed	N/A	N/A	N/A	N/A	10 080 000 000	3 926 090 000
	Number of mega litres of water supplied to deep rural areas	N/A	N/A	N/A	N/A	107 520 000	21 857 050
	percentage of network failure reported and responded to within 5 days.	12 000	6 626,4	3 000	3 526,27	100%	100%
	Percentage of new household's water connection received and responded to	100%	100%	100%	100%	100%	100%
	% of reports for Water Quality monitored in line with the agreed annual sampling Plan.	N/A	N/A	N/A	N/A	100%	73%

Employees: Water Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	12	13	13	0	0%
7 - 9	7	8	5	3	36%
10 - 12	92	105	84	21	20%
13 - 15	0	0	0	0	0%
16 - 18	35	48	40	8	17%
Total	147	175	143	32	18%
					T3.1.7

Financial Performance 2022/23: Water Services					
					R'000
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	124 917 176,00	-	-	8 373 470,00	100%
Expenditure:					
Employees	22 118 927,00	9 226 990,00	9 226 990,00	9 226 990,00	0%
Repairs and Maintenance	19 024 315,00	18 245 346,00	18 245 346,00	18 245 346,00	0%
Other	46 207 213,00	32 315 230,00	32 315 230,00	32 315 230,00	0%
Total Operational Expenditure	87 350 455,00	59 787 566,00	59 787 566,00	59 787 566,00	0%
Net Operational Expenditure	-37 566 721,00	59 787 566,00	59 787 566,00	51 414 096,00	-16%
					T 3.1.8

Capital Expenditure 2022/23: Water Services					
					R' 000
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	188 576 442	0	188 576 442	0%	
ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	R5 134 673,77		R5 134 673,77	100%	R5 134 673,77
ALMT18/2017 - Elukwatini G water distribution network system	R23 434 442,11		R23 434 442,11	100%	R23 434 442,11
ALMT18/2022 - Eerstehoek Bulk Water Scheme	R95 142 000,00		R95 142 000,00	100%	R95 142 000,00
GSDM 84/2020 - Empuluzi Methula Regional Bulk Water Supply Scheme	R70 000 000,00		R70 000 000,00	100%	R70 000 000,00

T 3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The municipality aims to ensure that 100% of HHs have access to water. Total number of households with access to piped water inside dwelling is 48 069. Total number of households with access to water through boreholes is 3 428. Total number of households with access to water through water tankers is 1 983.

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The proportion of households with access to basic sanitation is 99,6%, which is more than 53 282 households. However, approximately over 198 households (0,4%) are still below the minimum service level. The Municipality has constructed 350 VIP Toilets during the financial year.

The following capital projects were funded by MIG/WSIG and approved for the 2022/23 financial year:

- Construction of VIP Toilets 2012-2015
- Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23
- Upgrading of Waste Water Treatment Works to 3ML/day in Empuluzi Ward 04,07&09 (Contract 1,2&5)
- Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system
- Installation of a pumping and gravity sewer pipelines (160mm,etc), Installation of the manholes, Refurbishment/ construction of the pump stations, Electricity (ESKOM/ Municipal) connection, Testing of the pipelines.

• Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4

T 3.2.1

Sanitation Service Delivery Levels			
			*Households
Description	2021	2022	2023
	Outcome	Outcome	Actual
	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**			
Flush toilet (connected to sewerage)	10 245	10 744	40 252
Flush toilet (with septic tank)	813	2 032	847
Chemical toilet	1 500	2 000	651
Pit toilet (ventilated)	26 519	20 062	198
Other toilet provisions (above min.service level)	12 572	17 100	11 532
Minimum Service Level and Above sub-total	51 649	51 938	53 480
Minimum Service Level and Above Percentage	97%	97%	100%
Sanitation/sewerage: **(below minimum level)**			
Bucket toilet	0	0	0
Other toilet provisions (below min.service level)	30	0	0
No toilet provisions	1 801	1 542	0
Below Minimum Service Level sub-total	1 831	1 542	0
Below Minimum Service Level Percentage	3%	3%	0%
Total households	**53 480**	**53 480**	**53 480**
Total number of households including informal settlements			*T 3.2.3*

Wastewater (Sanitation) Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(ix)**	**(x)**
Service Objective							
To ensure provision of basic services	% of households with access to basic levels of sanitation by 30 June 2023 (GKPI)	N/A	N/A	N/A	N/A	90%	100%

Financial Performance 2022/23: Sanitation Services					R'000
Details	**2021/22**	**2022/23**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	74 950 305,00	5 024 082,00	5 024 082,00	5 024 082,00	0%
Expenditure:					
Employees	13 271 356,00	5 536 194,00	5 536 194,00	5 536 194,00	0%
Repairs and Maintenance	11 414 589,00	10 947 208,00	10 947 208,00	10 947 208,00	0%
Other	27 724 328,00	19 389 137,00	19 389 137,00	19 389 137,00	0%
Total Operational Expenditure	52 410 273,00	35 872 539,00	35 872 539,00	35 872 539,00	0%
Net Operational Expenditure	22 540 032,00	30 848 457,00	30 848 457,00	30 848 457,00	0%

T 3.2.8

Capital Expenditure 2022/23: Sanitation Services					
					R' 000
Capital Projects	**2022/23**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All					
ALMT12/2022 - Construction of VIP Toilets 2012-2015	R14 683 624,10	R14 683 624,10	R14 683 624,10	100%	R14 683 624,10
ALMP05/2014 - Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23	R5 471 33,68	R5 471 33,68	R5 471633,68	100%	R5 471 33,68
ALMT14/2022 - Upgrading of Waste Water Treatment Works to 3ML/day in Empuluzi Ward 04,07&09 (Contract 1,2&5)	R2 397102,64	R2 397102,64	R2 397102,64	100%	R2 397 102,64
ALMT15/2022 - Upgrading of the Mpuluzi Suncity Ext C&E Bulk Sewer System Works	R6 683 56,69	R6 683 56,69	R6 683656,69	100%	R6 683 656,69
ALMT18/2017 - Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system	R8 980 807,51	R8 980 807,51	R8 980 807,51	100%	R8 980 807,51
Upgrading of the Carolina WWTW and Silobela Ext 4 sewer reticulation network	R33 376 093,69	R33 376 093,69	R33 376 093,69	100%	R33 376 093,69

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

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

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Background

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

Responsibilities

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

Achievements

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

Challenges

- Theft and vandalism of electricity infrastructure;
- Exceeding of Notified Maximum Demand at Carolin 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
- 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	2021	2022	2023
	Actual	Actual	Actual
	No.	No.	No.
Energy: **(above minimum level)**			
Electricity (at least min.service level)	50 998	50 998	52 849
Electricity - prepaid (min.service level)	309	712	631
Minimum Service Level and Above sub-total	51 307	51710	52 849
Minimum Service Level and Above Percentage	95,9%	96,0%	98,8%
Energy: **(below minimum level)**			
Electricity (< min.service level)	271	271	631
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	1 902	1 872	0
Below Minimum Service Level sub-total	2 173	2 143	631
Below Minimum Service Level Percentage	4,1%	4,0%	1,2%
Total number of households	**53 480**	**53 480**	**53 480**
			T 3.3.3

Electricity Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basic services	Percentage of transformers repaired & maintained within 2 days after being reported.	80	82	80	89	100%	100%
	Number of public lights repaired & maintained	490	467	490	446	490	650
	Percentage of kilometers of electrical network repaired within 2 days after being reported.	70	95,005	50	71,05	100%	100%
	Percentage of panels and substations repaired & maintained within 2 days after being reported.	13	33	13	32	100%	100%
	Percentage of Ring Main Units (RMU) repaired & maintained within 2 days after being reported	24	69	24	55	100%	100%
	Number of smart meters installed	150	168	200	212	200	219

Employees: Electricity Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	7	5	2	29%
7 - 9	0	2	0	2	100%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	2	4	2	2	50%
Total	8	14	8	6	43%

T 3.3.6

Financial Performance 2022/23: Electricity Services					R'000
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	124 917 76,00	-	-	8 373 470,00	100%
Expenditure:					
Employees	22 118 927,00	9 226 990,00	9 226 990,00	9 226 990,00	0%
Repairs and Maintenance	19 024 315,00	18 245 346,00	18 245 346,00	18 245 346,00	0%
Other	46 207 213,00	32 315 230,00	32 315 230,00	32 315 230,00	0%
Total Operational Expenditure	87 350 455,00	59 787 566,00	59 787 566,00	59 787 566,00	0%
Net Operational Expenditure	37 566 721,00	59 787 566,00	59 787 566,00	51 414 096,00	-16%

T 3.3.7

Capital Expenditure 2022/23: Electricity Services					
					R' 000
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	24 000 000	21 788 399	31 788 399	25%	
ALMT37/2020 - Bulk Electrical Infrastructure	R10 000 000,00	R7 800 000,00	R17 800 000,00	56%	R10 000 000,00
ALMT13/2021 - Installation of Highmasts	R14 000 000,00	R13 988 399,07	R13 988 399,07	0%	R14 000 000,00
					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The following was achieved: 650 of public lights was repaired & maintained. Transformers, electrical network, electrical panels, ring main units were 100% repaired & maintained. 219 smart meters were installed.

T 3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

The Core functions of waste management are to render the following:
(a) Refuse Collections
(b). Clearing and prevention of illegal dumping
(c) Identify and Establishment Management of Transfer Stations and landfill sites (d) Cleaning of open spaces.
(e) Development and Enforcement of Waste Management By-Laws.

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

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

T 3.4.1

Solid Waste Service Delivery Levels			
Description	**2020/21**	**2021/22**	**2022/23**
	Actual	**Actual**	**Actual**
	No.	**No.**	**No.**
Solid Waste Removal: **(Minimum level)**			
Removed at least once a week	8 041	8 041	8 041
Minimum Service Level and Above sub-total	8 041	8 041	8 041
Minimum Service Level and Above percentage	15,0%	15,0%	15,0%
Solid Waste Removal: **(Below minimum level)**			
Removed less frequently than once a week	516	516	516
Using communal refuse dump	3 522	3 522	3 522
Using own refuse dump	33 922	33 922	33 922
Other rubbish disposal	119	119	119
No rubbish disposal	7 360	7 360	7 360
Below Minimum Service Level sub-total	45 439	45	45
Below Minimum Service Level percentage	85,0%	85,0%	85,0%
Total number of households	**53 480**	**53 480**	**53 480**

Waste Management Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Current Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Percentage of waste management service rendered on 6 areas	6	6	6	6	100%	100%
	Number of refuse bins supplied to billable households.	500	293	500	500	500	501
	Number of inspections to be conducted on each of the 5 disposal sites	5	5	5	5	5	5
	Number of Environmental awareness campaigns held	4	8	4	14	2	22

Employees: Waste Disposal and Other Services					
Job Level	Year - 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	6	3	3	43%
7 - 9	0	0	0	0	0%
10 - 12	5	7	8	3	38%
13 - 15	0	0	0	0	0%
16 - 18	35	39	39	0	0%
Total	82	97	76	18	19%
					T3.4.6

Financial Performance 2022/23: Waste Disposal and Other Services					R'000
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 658 666,00	2 691 407,00	2 691 407,00	2 691 407,00	0%
Expenditure:					
Employees	7 116 069,00	14 726 337,00	14 726 337,00	14 726 337,00	0%
Repairs and Maintenance	4 089 799,00	4 727 713,00	4 727 713,00	4 727 713,00	0%
Other	3 759 399,00	1 085 067,00	1 085 067,00	1 085 067,00	0%
Total Operational Expenditure	14 965 267,00	20 539 117,00	20 539 117,00	20 539 117,00	0%
Net Operational Expenditure	12 306 601,00	17 847 710,00	17 847 710,00	17 847 710,00	0%
					T 3.4.8

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The waste section has budgeted the following: Installation of sidewalk bins that will cover Carolina main street and Elukwatini crossing, expansion of 500 household bin to be distributed to areas that are currently not receiving refuse collection and procurement of Two Ton truck that will assist in green waste management were green waste will be collected at a fee in line with municipal tariffs

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

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

T 3.5.1

Percentage of households with access to basic housing			
Year end	**Total households (including in formal and informal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements**
2020/21	53 480	42 893	80,2%
2021/22	53 480	42 893	80,2%
2022/23	53 480	42 893	80,2%
			T 3.5.2

Housing Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Sustainable integrated Human Settlement	Percentage of human settlements projects monitored.	N/A	N/A	N/A	N/A	100%	100%
	Number of forms captured on National Housing Needs	N/A	N/A	N/A	N/A	320	868
	Number of consumer education conducted.	N/A	N/A	N/A	N/A	12	31

Employees: Housing Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%
					T 3.5.4

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

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

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

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

The policy:
Identifies how the indigent will be accessed;
Establish the process that will be used to manage the indigent;
Identify the process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies;
Provide policy direction to the municipality's IDP's and financial planning instruments;
Establish the process to set targets (milestones) for the rollout of free basic services to the entire indigent population within the municipal area;
and Identify the linkages between the various poverty alleviation programmes that will result in the indigent moving away from the poverty trap.

T 3.6.1

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	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%
2022/23	53 480	53 480	1 759	3%	40 591	76%	7 968	15%	1 355	3%
T 3.6.3										

Financial Performance 2022/23: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2021/22	2022/23			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	53 468	2 452 547	2 452 547	2 381 114	-3%
Waste Water (Sanitation)	1875	291 234	291 234	282 751	-3%
Electricity	37 255	6 523 469	6 523 469	6 333 465	-3%
Waste Management (Solid Waste)	4703	303 151	303 151	294 321	-3%
Total	97 301	9 570 401	9 570 401	9 291 651	-3%
T 3.6.4					

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

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

T 3.6.6

COMPONENT B: ROAD TRANSPORT

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

3.7 ROADS

INTRODUCTION TO ROADS

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

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

Mandate and Responsibility

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



T 3.7.1

Gravel Road Infrastructure Kilometers				
	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
2022/23	528	0	3.2	553
T 3.7.2				

Tarred Road Infrastructure Kilometers					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2020/21	128	0	0	0	1.2
2021/22	128	0	0	12 964m2	1,055
2022/23	128	3.2	0	9 203,37m2	0
T 3.7.3					

Cost of Construction/Maintenance R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2020/21	0	0	1 117	9 367	0	1 117
2021/22	0	0	1 117	25 000	0	1 117
2022/23	0	0	1 200	0	0	0
T 3.7.4						

Road Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of kilometers of gravel roads maintained	400	234,7	400	414,9	543	553,72
	Number of square meters of tarred roads potholes repaired	500	531	600	2 212	1 500	2 699,65
	Number of square meters of resealing tarred roads through the support by GSDM	N/A	N/A	N/A	N/A	2 000	9 203,37
	Number of foot bridges constructed.	2	2	10	2	3	3
	Number of vehicle bridges repaired.	1	1	2	3	2	4
	Number of Speed humps constructed on existing paved roads	10	19	10	19	16	16

Employees: Road Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	5	3	2	40%
7 - 9	0	0	0	0	0%
10 - 12	7	7	7	0	0%
13 - 15	0	0	0	0	0%
16 - 18	10	14	9	5	36%
Total	22	27	20	7	26%
					T3.7.7

Financial Performance 2022/23: Road Services					R'000
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	124 917 176,00	-	-	8 373 470,00	100%
Expenditure:					
Employees	22 118 927,00	9 226 990,00	9 226 990,00	9 226 990,00	0%
Repairs and Maintenance	19 024 315,00	18 245 346,00	18 245 346,00	18 245 346,00	0%
Other	46 207 213,00	32 315 230,00	32 315 230,00	32 315 230,00	0%
Total Operational Expenditure	87 350 455,00	59 787 566,00	59 787 566,00	59 787 566,00	0%
Net Operational Expenditure	-37 566 721,00	59 787 566,00	59 787 566,00	51 414 096,00	-16%
					T 3.7.8

Capital Expenditure 2022/23: Road Services					
					R' 000
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R21 037 212	R17 441 561	R20 978 774	0%	
ALMT04/2022 - Construction of Carolina Collector Access Roads	R8 178 447,01	R7 848 510,28	R7 848 510,28	0%	R8 178 447,01
ALMT 03/2022 - Construction of Dundonald Collector Access Roads	R7 500 000,00	R7 448 902,33	R7 448 902,33	0%	R7 500 000,00
ALMT 07/2019 - Construction of Fernie Collector Access Roads	R10 000 000,00	R9 992 659,14	R9 992 659,14	0%	R10 000 000,00
ALMP01/2022 - Construction of Nhlazatshe 3 Collector Access Roads	R1 514 696,75	R1 514 696,75	R1 514 696,75	100%	R1 514 696,75
ALMT25/2020 - Construction of Nhlazatshe Collector Access Road	R2 022 515,36	R2 022 515,36	R2 022 515,36	100%	R2 022 515,36
ALMP02/2022 - Construction of Nhalzatshe Collector Access Road	R15 000 000,00	R15 269 711,81	R15 269 711,81	0%	2%

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Achievements

The Section succeeded on the following.

- Created at least 100 job opportunities through the EPWP.
- Spent 100% of the EPWP grant.
- At least 16 Speed humps were constructed
- Repaired an area of 1 200m² surfaces of most municipal roads.
- Attend at least 553,72km of gravel roads through blading.

Challenges

During the 2022/23 financial year, the Roads and Storm Water Section was unable to perform its activities at peak, such as construction of footbridges since there is immensely demand from deep rural

areas. This could be in the main be attributed to recurring breakdowns of graders and inadequate heavy/ yellow fleet. Unavailability of other construction machinery also contributed to the Section's failure to carry out its activities effectively. Furthermore, the Section experienced abnormal heavy traffic on municipal owned roads, which shortens the lifespan of infrastructure and development of many potholes, especially in Carolina.

Recommendations

To have all the required machinery plant for effective maintenance of road infrastructure; well capacitated teams who would be able to maintain paved and unpaved roads in an acceptable custom, and also be able to design and construct minor projects that are not prioritised as capital projects on the IDP.Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2022/23 and/or previous year actuals, or expected future variations). Where provincial roads have been delegated to your municipality ensure that this is presented as an additional major issue in this section.

T 3.7.10

3.8 TRANSPORT

INTRODUCTION TO TRANSPORT

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

T 3.8.1

3.9 STORMWATER DRAINAGE

INTRODUCTION TO STORMWATER DRAINAGE

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

T 3.9.1

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

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

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

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

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

T 3.10.1

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**	
	2021/22	**2022/23**	**2021/22**	**2022/23**	**2021/22**	**2022/23**
Planning application received	1	1	38	11	53	23
Determination made in year of receipt	All still in progress	All still in progress	19	1	53	4
Determination made in following year	All still in progress	2	1	8	None	None
Applications withdrawn	None	None	1	None	None	None
Applications outstanding at year end	3	2	18	12	0	19
T 3.10.2						

Planning Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Spatial Transformation	Number of studies conducted for the establishment of cemeteries.	N/A – New KPI	N/A – New KPI	N/A – New KPI	N/A – New KPI	1	1
	Number of studies conducted for township formalization.	N/A – New KPI	N/A – New KPI	N/A – New KPI	N/A – New KPI	1	3
	Number of studies conducted for township establishment.	N/A – New KPI	N/A – New KPI	N/A – New KPI	N/A – New KPI	1	1
To Ensure the regulation of land use and development management	Percentage of land use and development applications processed within the legislated timeframe	N/A – New KPI	N/A – New KPI	N/A – New KPI	N/A – New KPI	100%	100%
To Ensure the regulation of building control management	Percentage of building plans processed within the legislated timeframe	N/A – New KPI	N/A – New KPI	N/A – New KPI	N/A – New KPI	100%	100%

Employees: Planning Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	100%
4 - 6	2	3	2	1	33%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	5	3	2	40%
					T 3.10.4

Financial Performance 2022/23: Planning Services R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	10 754 853,00	11 478 226,00	11 478 226,00	11 478 226,00	0%
Repairs and Maintenance	16 142 786,00	6 004 512,00	6 004 512,00	6 004 512,00	0%
Other	923 327,00	409 808,00	409 808,00	409 808,00	0%
Total Operational Expenditure	27 820 966,00	17 892 546,00	17 892 546,00	17 892 546,00	0%
Net Operational Expenditure	-27 820 966,00	17 892 546,00	-17 892 546,00	-17 892 546,00	0%
					T 3.10.5

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The Silobela Extension 4 and Extension 5 were approved by the Municipal Planning Tribunal in the beginning of the financial year. Unfortunately, no townships were formalized during the year under review. Eleven (11) land use applications were received during the year under review and only one (1) of those received was approved. All other land use applications that were approved were pending from the previous financial year.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

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

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

T 3.11.1

Economic Activity by Sector

R '000

Sector	2020/21	2021/22	2022/23
Agric, forestry and fishing	3	3	3
Mining and quarrying	12	12	12
Manufacturing	2	2	2
Wholesale and retail trade	6	6	6
Finance, property, etc.	8	8	8
Govt, community and social services	11	11	11
Infrastructure services	2	2	2
Total	44	44	44

T 3.11.2

Economic Employment by Sector			Jobs
Sector	**2020/21**	**2021/22**	**2022/23**
Agric, forestry and fishing	25 000	30 000	-
Mining and quarrying	435 000	372 000	-
Manufacturing	300 000	270 000	-
Wholesale and retail trade	200 000	210 000	-
Finance, property, etc.	255 000	235 000	-
Govt, community and social services	310 000	320 000	-
Infrastructure services	430 000	450 000	-
Total	1 955 000	1 887 000	-
			T 3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES

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

T 3.11.4

Jobs Created during 2022/23 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	**Jobs created No.**	**Jobs lost/displaced by other initiatives No.**	**Net total jobs created in year No.**	**Method of validating jobs created/lost**
Total (all initiatives)				
Year: 2020/21	75	0	75	Employee list from SMMEs and Co-Ops
Year: 2021/22	75	0	75	Employee list from Cooperatives
Year: 2022/23	31	0	31	Employee list from Cooperatives
				T 3.11.5

Job creation through EPWP* projects		
Details	**EPWP Projects No.**	**Jobs created through EPWP projects No.**
2020/21	66	3 058
2021/22	66	282
2022/23	23	260
		T 3.11.6

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure sustainable Local Economic Development	Number of led strategy projects implemented.	1	1	1	11	2	2
	Number of co-operatives offered support.	40	12	24	128	12	23
	Number of tourism awareness campaigns conducted.	12	4	12	22	4	14
	Number of led related forums/meeting coordinated.	N/A – New KPI	N/A – New KPI	N/A – New KPI	N/A – New KPI	4	4
	Host Investment Initiatives	N/A – New KPI	N/A – New KPI	N/A – New KPI	N/A – New KPI	1	1

Employees: Local Economic Development Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%

T 3.11.8

Financial Performance 2022/23: Local Economic Development Services					R'000
Details	2022/2023	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2.4 Million	2.4 Million	0	0	0
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	2.4 Million	2.4 Million	0	0	0
Net Operational Expenditure	2.4 Million	2.4 Million	0	0	0

T 3.11.9

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

EPWP and CWP have contributed positively to maintaining a safety net for the poor communities and alleviating poverty where it matters the most. About 260 full-time equivalent jobs were created through economic and public sector initiatives while the CWP has maintained the training of all the participants.

T 3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY SAFETY SERVICES

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

T 3.52

3.12 LIBRARIES

INTRODUCTION TO LIBRARIES

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

The libraries were all connected to the internet. Whilst most schools were rural, the Department was also responsible for the promotion of the few libraries that were available near those schools. This also encouraged a culture of reading around those local communities. As a result, several campaigns were conducted. The Municipality 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

SERVICE STATISTICS FOR LIBRARIES

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

T 3.12.2

Libraries Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of library awareness programmes implemented.	30	2	30	35	30	33

Employees: Libraries					
Job Level	Year - 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	7	7	0	0%
					T 3.12.4

COMMENT ON THE PERFORMANCE OF LIBRARIES OVERALL

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

On going research is done to be abreast with technology and any other related developments. In the 2022/2023 financial year, there has been an increase in the number of people visiting the library and making use of library facilities in the municipal area.

T 3.12.7

3.13 CEMETERIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES & CREMATORIUMS

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

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

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES & CREMATORIUMS

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

T 3.13.2

Employees: Cemeteries and Creation					
Job Level	Year - 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	2	1	1	100%
13 - 15	0	0	0	0	0%
16 - 18	11	12	12	0	0%
19 - 20	0	0	0	0	0%
Total	14	16	15	1	6%

T 3.13.4

COMMENT ON THE PERFORMANCE OF CEMETERIES & 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 Ekulindeni Cemetery.

T 3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

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

T 3.14.1

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal 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

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

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

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

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

T 3.16.2

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.

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Ambulance services are provided by the Department of Health.

T 3.18.1

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

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

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

T 3.19.

Chapter 3

COMPONENT G: SECURITY AND SAFETY

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

INTRODUCTION TO SECURITY & SAFETY

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

T 3.20

3.20 TRAFFIC LAW ENFORCEMENT:

INTRODUCTION TO TRAFFIC LAW ENFORCEMENT

Traffic law enforcement: during the year 2022/2023 we managed to improve on Law enforcement officer visibility on all areas and increase Municipality's income through traffic summons and conducted more operations (warrant of arrest operations). We have set targets that we want to achieve and linked them to their KPA's, and we monitor those targets on daily basis.

T 3.20.1

Traffic law enforcement					
	Details	2022/23	2021/22		2022/23
		Actual no.	Estimate No.	Actual no.	Estimate No.
1.	Number of road traffic accidents during the year	782	0	0	0
2.	Number of by-law infringements attended	0	0	0	0
3.	Number of Police officers in the field on an average day	11	11	11	11
4.	Number of police officers on duty on average day	12	12	12	12

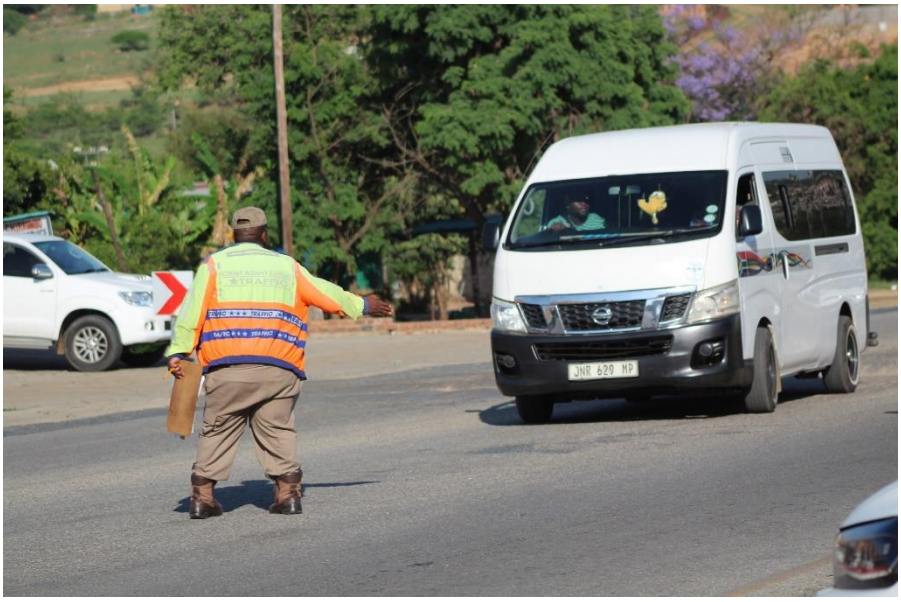
T 3.20.2

Traffic law enforcement Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of traffic law enforcement programmes implemented.	12	9	12	16	10	17
	Number of traffic fines issued.	20%	-0,70%	20%	20%	1 200	2 416
	Revenue collected through issued traffic infringements summons.	N/A	N/A	N/A	N/A	182 500	1 816 052

Employees: Traffic Officers					
Job Level	Year : 2021/22	Year: 2022/23			
Law enforcement / Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	0	0	0%
4 - 6	3	4	3	1	25%
7 - 9	13	13	13	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	20	21	19	1	5%

T 3.20.4

COMMENT ON THE PERFORMANCE OF TRAFFIC OVERALL



The Department has done well on number of key performance indicators; 2416 traffic fines were issued. 17 awareness were conducted where our road users were educated and reminded f rules of the road. A total amount of R1 816 052 was collected on traffic fines issued.

T 3.20.7

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

The Fire and Rescue & Disaster Management Directorate is responsible for the establishment and maintain institutional Fire and Rescue/Disaster management capacity and to implement effective risk reduction activities. To prepare for and respond to Fire and Rescue incidents/ disasters and coordinate disaster recovery and number of disaster management awareness campaigns conducted. - Service delivery impact as community members are trained how to act during emergency situations while waiting for Disaster Management Officials. of disaster/fire incidents reported and attended within 24 hours. - Not all Disaster Management calls were responded within 24 hours. Mitigation new two Disaster Management Coordinators are proposed in the new financial year for Elukwatini and Empuluzi Units and Fire Fighters also respond to disaster and conduct assessments as they are first responders. Number of Fire Safety and Prevention Awareness conducted. Service delivery impact as community members are trained how to act during emergency situations while waiting for Fire Services to arrive.



T 3.21.1

Municipal Fire Service Data					
	Details	2020/21	2021/22	2022/23	
		Actual No.	Actual	Estimate No.	Actual No.
1	Total fires attended in the year	367	367	350	384
2	Total of other incidents attended in the year	0	0	70	100
3	Average turnout time - urban areas	15 minutes	15 minutes	15 minutes	15 minutes
4	Average turnout time - rural areas	45 minutes	45 minutes	45 minutes	45 minutes
5	Fire fighters in post at year end	12	12	12	12
6	Total fire appliances at year end	5	5	5	5
7	Average number of appliance off the road during the year	8	8	8	8
T 3.21.2					

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

T 3.21.2.1

Fire Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	% of disaster/fire incidents reported and attended within 24 hours	100%	100%	100%	100%	100%	92%

Employees: Fire Services					
Job Level	Year: 2021/22	Year: 2022/23			
Fire Fighters / Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	0	1	100%
4 - 6	3	3	3	2	67%
7 - 9	9	10	10	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	13	14	13	3	21%

T 3.21.4

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

Fire Incidents increased from 367 to 384 during 2022/23 financial year. The fire section could only attend 92% from the incidents that were reported.

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

Disaster Management Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of disaster management awareness campaigns conducted.	4,00	9,00	4,00	17,00	14	25
	% of disaster/fire incidents reported and attended within 24 hours	100%	100%	100%	100%	100%	92%

Employees: Disaster Management					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	3	2	1	33%
					T 3.22.4

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

There were 25 awareness that were conducted on disaster. 92% of incidents reported were attended.

T 3.22.7

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

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

of sports facilities remained a challenge, mainly due to the fact that there were few sports grounds in the Municipality that were in good condition.

T 3.23

Employees: Sport					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

T 3.23.3

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

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

T 3.24

3.24 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

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

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

T 3.24.1

The Executive and Council Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Improved governance and administration	# of Mayoral Imbizo's held	2	2	2	2	2	2

Employees: The Executive and Council					
Job Level	Year :2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	3	3	0	0%
4 - 6	10	15	13	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	11	19	17	0	0%
					T 3.24.4

Financial Performance 2022/23: The Executive and Council					R'000
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	483 522 912,00	893 078 584,00	893 078 584,00	893 078 584,00	0%
Expenditure:					
Employees	20 318 647,00	30 534 651,00	21 751 896,00	21 751 896,00	-40%
Repairs and Maintenance	50 350,00	3 543 618,00	3 543 618,00	3 543 618,00	0%
Other	6 403 265,00	40 544 858,00	40 544 858,00	40 544 858,00	0%
Total Operational Expenditure	26 772 262,00	74 623 127,00	65 840 372,00	65 840 372,00	-13%
Net Operational Expenditure	-456 750 650,00	-818 455 457,00	827 238 212,00	-827 238 212,00	1%
					T 3.24.5

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

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

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

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

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

T 3.25.1

Debt Recovery

R' 000

Details of the types of account raised and recovered	2021/22		2022/23			2021/22	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	95 285085,63	75%	98 828 613,70	98 828 613,70	81%	95 046 61,20	79%
Electricity - B	3 119 553,85	58%	2 580 296,93	2 580 296,93	70%	3 474 975,56	56%
Electricity - C	19 162 73,62	58%	15 850 395,42	15 850 395,42	70%	21 346278,53	56%
Water - B	5 105 317,16	28%	4 790 305,71	4 790 305,71	26%	5 988 124,94	27%
Water - C	12 499224,76	28%	11 727 989,83	11 727 989,83	26%	14 660 81,76	27%
Sanitation	9 506 160,77	25%	10 361 648,37	10 361 648,37	27%	11 374450,70	44%
Refuse	9 137 540,34	28%	10 342 646,48	10 342 646,48	22%	10 425 73,40	29%
Other	11 483557,19	19%	1 430 068,69	1 430 068,69	45%	394 616,04	34%

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

T 3.25.2

Employees: Financial Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	6	5	1	17%
4 - 6	27	34	28	6	18%
7 - 9	12	15	14	1	7%
10 - 12	5	7	7	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	50	62	54	8	0%
					T 3.25.4

Financial Performance 2022/23: Financial Services R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	134 184,00	19 740 855,00	19 740 855,00	19 740 855,00	0%
Expenditure:					
Employees	34 450 236,00	34 389 185,00	34 389 185,00	34 389 185,00	0%
Repairs and Maintenance	40 884 437,00	27 104 890,00	27 104 890,00	27 104 890,00	0%
Other	44 758 472,00	79 947 480,00	79 947 480,00	79 947 480,00	0%
Total Operational Expenditure	120 093 145,00	141 441 555,00	141 441 555,00	141 441 555,00	0%
Net Operational Expenditure	119 958 961,00	121 700 700,00	121 700 700,00	121 700 700,00	0%
					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.

Skills Development

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

T 3.26.1

Human Resources Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Improve institutional performance	Percentage of critical positions filled.	100%	100%	100%	100%	100%	100%
	% of employees from previously disadvantaged groups appointed in the highest levels of management as per the approved EE plan by 30 June 2023 (GKPI)	N/A	N/A	N/A	N/A	85%	100%
	Percentage of staff turnover rate	<5%	<5%	<5%	<5%	<5%	<5%
	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June 2023	N/A	N/A	N/A	N/A	100%	14%
	Number of Local Labour Forum meetings held	N/A	N/A	N/A	N/A	10	10
	Approved Workplace Skills Plan and Annual Training Report submitted to LG SETA on or before 30 April 2023	1	1	1	1	1	1
	Number of trained employees as per the WSP	20	24	20	51	25	10

	Number of Workshops, seminars and conferences held to ensure that Councillors are informed and trained on Local Government trends.	N/A	N/A	N/A	N/A	6	6
	Number of monthly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	12	12	12	4	10	1
	Number of quarterly health and safety inspections and awareness's conducted.	4	4	4	27	4	4
	Number of employee wellness programmes conducted.	12	13	12	8	4	13

Employees: Human Resource Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	6	3	3	50%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	9	6	3	33%
					T3.26.4

Financial Performance 2022/23: Human Resource Services					R'000
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	4 043 754,00	-	-	7 664 427,00	100%
Repairs and Maintenance	2 486 948,00	-	-	2 707 338,00	100%
Other	4 626 750,00	-	-	9 183 376,00	100%
Total Operational Expenditure	11 157 452,00	-	-	19 555 141,00	100%
Net Operational Expenditure	11 157 452,00	-	-	19 555 141,00	100%
					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

ICT Services Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Improved governance and administration	Number of fire wall installed.	1,00	1,00	1,00	1,00	1,00	1,00
	Number of anti-virus installed	1,00	1,00	1,00	1,00	1,00	1,00
	Number of offsite backup conducted	12	12	12	12	12	12
	Percentage of compliance reports placed on the website as per of MFMA section 75	100%	100%	100%	100%	100%	100%
	Percentage of ICT related devises maintained	100%	100%	100%	100%	100%	100%

Employees: ICT Services					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	100%
4 - 6	2	2	2	0	0%
7 - 9	1	1	1	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	9	8	1	11%
					T3.27.4

Financial Performance 2022/23 : ICT Services R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	2 695 836,00	5 109 618,00	5 109 618,00	5 109 618,00	0%
Repairs and Maintenance	1 657 965,00	1 804 892,00	1 804 892,00	1 804 892,00	0%
Other	3 084 501,00	6 122 250,00	6 122 250,00	6 122 250,00	0%
Total Operational Expenditure	7 438 302,00	13 036 760,00	13 036 760,00	13 036 760,00	0%
Net Operational Expenditure	7 438 302,00	13 036 760,00	13 036 760,00	13 036 760,00	0%
					T 3.27.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

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

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

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

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

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

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

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2020/21**		**2021/22**		**2022/23**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure good governance	Number of risk assessment workshops conducted	2	2	2	2	2	2
	Number of quarterly strategic, Operational and ICT risk registers approved and monitored by Risk Committee	4	4	4	4	4	4
Improved governance and administration	Percentage Legal advice given	100%	100%	100%	100%	100%	100%

Employees: Legal; Risk Management.					
Job Level	Year: 2021/22	Year: 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	2	4	2	2	50%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	9	7	2	22%
					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

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

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

Chief Albert Luthuli Municipality

Annual Performance Report Addendums

June 2023

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

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Chapter 3

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

Community Safety Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Basic Service Delivery and Infrastructure Development								
Waste Management	1	Percentage of waste management service rendered on 6 areas.	**Numerator: 288** Areas receiving refuse removal weekly: July 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) August 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) September 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) October 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) November 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) December 2022: 24	N/A - Target Achieved	6,00	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) January 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) February 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) March 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) April 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) May 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) June 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) Total: 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 = 288 **Denominator: 288** July 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4),					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Empuluzi (4), Elukwatini (4) August 2022: 30 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (5), Empuluzi (4), Elukwatini (4) September 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) October 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) November 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) December 2022: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) January 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) February 2023: 5 Carolina (4), Silobela (1), Manzana (0), Ekulindeni (0), Empuluzi (0), Elukwatini (0) March 2023: 6 Carolina (4), Silobela (2), Manzana (0), Ekulindeni (0), Empuluzi (0), Elukwatini (0)					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			April 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) May 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) June 2023: 24 Carolina (4), Silobela (4), Manzana (4), Ekulindeni (4), Empuluzi (4), Elukwatini (4) Total: 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 + 24 = 264 Calculations: 288/288 = 100%					
Waste Management	2	Number of refuse bins supplied to billable households.	Household's bins were distributed as follows: Quarter 1: 54 Quarter 2: 0 Quarter 3: 0 Quarter 4: 447 Total: 54 + 0 + 0 + 447 = 501	N/A - Target Achieved	500,00	500,00	501,00	3,01
Waste Management	3	Number of inspections to be conducted on each of the	**Numerator:** 60* * Disposal sites inspected: July 2022: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1),	N/A - Target Achieved	5,00	5,00	5,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		5 disposal sites.	Elukwatini (1) August 2022: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) September 2022: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) October 2022: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) November 2022: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) December 2022: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) January 2023: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) February 2023: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) March 2023: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			April 2023: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) May 2023: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) June 2023: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) Total = 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 = 60 **Denominator:** 12* * Refer to instruction column Calculations: 60/12 = 5					
Library Services	4	Number of library awareness programmes implemented.	The following Library awareness programmes were implemented: **Quarter 1: (July 2022 to September 2022)** 1) Library Awareness held 28 July 2022 at Carolina Public Library 2) Library Awareness held 11 August 2022 at Ezenzeleni Public Library 3) Library Awareness held 17 August 2022 at Ezenzeleni Public Library 4) Library Awareness held 01 - 02 September 2022 at Bantfwabetfu Public Library	N/A - Target Achieved	35	30	32	3,20

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			5) Library Awareness held 02 September 2022 at Ezenzeleni Public Library 6) Library Awareness held 24 September 2022 at Ezenzeleni Public Library 7) Library Awareness held 16 September 2022 at Carolina Public Library **Quarter 2: (October 2022 to December 2022)** 8) Library Awareness held 14 October 2022 at Ezenzeleni Public Library 9) Library Awareness held 19 October 2022 at Ezenzeleni Public Library 10) Library Awareness held 07 November 2022 at Ezenzeleni Public Library 11) Library Awareness held 16 November 2022 at Ezenzeleni Public Library **Quarter 3: (January 2023 to March 2023)** 12) Library Awareness held 16 January 2023 at Ezenzeleni Public Library 13) Reading Awareness held 18 January 2023 at Carolina Public Library 14) Orientation library campaign held 25 January 2023 at Khululwazi Library 15) World Read Aloud day held 07 February 2023 at Sobhuza Primary School 16) World Read Aloud day held 10 February 2023 at ZM Mkhwanazi Public Library 17) Library Awareness held 16 February 2023 at Ezenzeleni Public Library 18) School Library Visit held 20 February 2023 at Highveld Secondary School 19) Library awareness held 23 February 2023 at ZM					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Mkhwanazi Public Library 20) Story Telling held 2 March 2023 at ZM Mkhwanazi Public Library 21) Research awareness held 6 March 2023 at Carolina Library 22) Library Awareness held 08 March 2023 at Ezenzeleni Public Library 23) Read Aloud awareness held 09 March 2023 at ZM Mkhwanazi Public Library 24) Story Telling held 22 March 2023 at ZM Mkhwanazi Public Library **Quarter 4: (April 2023 to June 2023)** 25) Reading held 12 April 2023 at Carolina Public Library 26) National Poetry awareness held 19 April 2023 at Ezenzeleni Public Library 26) World Book day held 24 April 2023 at ZM Mkhwanazi 27) Library Awareness held 08 May 2023 at Ezenzeleni Public Library 28) Storytelling & Colouring awareness held 12 May 2023 at ZM Mkhwanazi 29) Library Awareness held 20 May 2023 for Thuthukani Pre-School at Mpuluzi 30) Assignment session for students held 30 May 2023 at Elukwatini Library 31) Library Youth day awareness held 09 June 2023 at Ezenzeleni Public Library 32) Library Awareness held 09 June 2023 at Carolina Public Library					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Disaster and Traffic Law Management	5	Number of disaster management awareness campaigns conducted.	The following disaster management awareness campaigns were conducted: 1) Flood and drowning awareness campaign held 09 September 2022 at Elukwatini 2) Flood and drowning awareness campaign held 03 October 2022 at Carolina 3) Flood awareness campaign held 07 October 2022 at Nhlazatjshe NO 3 4) Fire Safety Awareness campaign held 25 November 2022 at Carolina 5) Fire Safety and Fireworks Awareness held 28 - 29 December 2022 at Carolina (Ekulindeni, Nhlaba, Steyndrop, Nkaba, Mooiplaas and Silobela) 6) Fire Safety Awareness held 21 December 2022 at Fernie 1 Clinic 7) Evacuation Drill held 18 January 2023 at Glenmore 8) Evacuation Drill held 19 January 2023 at Eerstehoek clinic 9) Evacuation Drill held 24 January 2023 at Arnhemburg Clinic 10) Training Staff held 25 January 2023 at Bettysgoed Clinic 11) Fire Emergency Evacuation drill held 01 February 2023 at Vlakplaas Clinic 12) Fire Drill and Evacuation held 08 February 2023 at Prince Mkolishi CHC 13) Jaws of Life Rescue System held 14 March 2023 at Elukwatini 14) Fire Drill held 22 March 2023 at Diepdale Clinic 15) Evacuation Drill held 28 March 2023 at Nhlazatshe NO 4 Clinic 16) Evacuation Drill held 05 April 2023 at Nhlazatshe 6 Clinic	N/A - Target Achieved	17,00	14,00	25,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			17) Fire and Evacuation Drill held 19 April 2023 at Lochiel Clinic 18) Fire and Evacuation Drill held 20 April 2023 at Swallosnest Clinic 19) Fire Safety Awareness Campaign held 21 April 2023 at Siphakamile Combine School , Carolina 20) Fire and Evacuation Drill held 26 April 2023 at Haartebeeskop Clinic 21) Fire and Evacuation Drill held 04 May 2023 at Embhuleni District Hospital 22) Fire and Evacuation Drill held 10 May 2023 at Mayflower Clinic 23) Fire and Evacuation Drill held 11 May 2023 at Dundonald Clinic 24) Fire and Evacuation Drill held 18 May 2023 at Carolina District Hospital 25) Fire and Evacuation Drill held 27 May 2023 at Ebutsini Traditional Council Ummemo					
Disaster and Traffic Law Management	6	% of disaster/fire incidents reported and attended within 24 hours	**Quarter 1: 96,6%** Disaster Incidents attended 24/28 incidents within 24 hours Fire Incidents: attended 88/88 incidents within 24 hours **Quarter 2: 100%** Disaster Incidents attended 44/44 incidents within 24 hours Fire Incidents: attended 105/105 incidents within 24 hours **Quarter 3: 73,5%** Disaster Incidents attended 19/55 incidents within 24 hours Fire Incidents: attended 81/81 incidents within 24 hours	**A) Reason for not Achieving Target/Current Challenges:** There was only one coordinator to attend all disaster incidents reported. **B) Corrective Action:** One Fire fighter will be appointed in quarter 1 of the 2023/24 financial year	100%	100%	92,1%	2,76

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Quarter 4: 98,4% Disaster Incidents attended 13/15 incidents within 24 hours Fire Incidents: attended 110/110 incidents within 24 hours Overall Calculations: 96,6% + 100% + 73,5% + 98,4 = 92,1%	to assist with disaster incidents.				
Disaster and Traffic Law Management	7	Number of traffic law enforcement programmes implemented.	The following traffic law enforcement programmes were implemented: 1) Warrant of Arrest execution held 13 July 2022 at Kerk Street, Carolina 2) Warrant of Arrest execution held 26 August 2022 at Carolina 3) Women in Action operation held 31 August 2022 at Elukwatini Crossing 4) Heavy Motor Vehicle special operation held 15 September 2022 at Carolina 5) Warrant of Arrest special operation held 07 October 2022 at Nhlazatshe 6) Public Transport month operation held 28 October 2022 at Mpuluzi 7) Closing of Transport Month operation held 28 October 2022 at Mpuluzi (Next to vivo garage) 8) Joint Operation held 15 February 2023 at Muluzi 9) Traffic Law enforcement operation held 24 February 2023 at Elukwatini 10) Traffic Law enforcement operation held 10 March 2023 at Silobela 11) Easter Road Safety Launch campaign held 06 April 2023 at R33 Wonderfontein Road, Carolina 12) Warrant of Arrest Joint Operation held 26 April 2023	N/A - Target Achieved	16,00	10,00	17,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			at Elukwatini 13) Warrant of Arrest Operation held 26 May 2023 at Emanzana 14) Warrant of Arrest Operation held 01 June 2023 at Carolina 15) K78 Roadblock/Warrant of Arrest Operation held 09 June at Elukwatini 16) K78 Roadblock Joint Operation held 15 June 2023 at R38 road Carolina 17) Warrant of Arrest Operation held 22 June 2023 at Elukwatini					
Disaster and Traffic Law Management	8	Number of traffic fines issued.	Traffic fines issued by Traffic Officers as follows: **January 2023: 366** NE Nkosi issued 1 K Ndaba issued 38 DD Simelane issued 34 NA Phoshoko issued 39 WS Maseko issued 54 TG Malaza issued 39 T Madonsela issued 38 NP Mnisi issued 25 TE Nkosi issued 40 ML Twala issued 33 FV Masina issued 25 **February 2023: 481** K Ndaba issued 49 DD Simelane issued 53 NA Phoshoko issued 51 WS Maseko issued 56 TG Malaza issued 43 T Madonsela issued 54	N/A - Target Achieved	20%	1 200,00	2 416,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			NP Mnisi issued 44 TE Nkosi issued 42 ML Twala issued 54 FV Masina issued 35 **March 2023: 428** K Ndaba issued 53 DD Simelane issued 35 NA Phoshoko issued 52 WS Maseko issued 64 TG Malaza issued 42 T Madonsela issued 46 NP Mnisi issued 44 TE Nkosi issued 12 ML Twala issued 26 FV Masina issued 54 **April 2023: 283** K Ndaba: 13 DD Simelane: 20 NA Phoshoko 17 HB Sibanyoni: 49 WS Maseko: 50 TG Malaza: 21 T Madonsela: 41 NP Mnisi: 15 TE Nkosi: 15 ML Twala: 15 FV Masina: 27 **May 2023:** NE Nkosi issued 1 K Ndaba issued 37					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			DD Simelane issued: 36 NA Phoshoko issued 46 HB Sibanyoni issued 37 WS Maseko issued 41 TG Malaza issued 37 T Madonsela issued 38 NP Mnisi issued 46 TE Nkosi issued 45 ML Twala issued 38 FV Masina issued 13 **June 2023: 443** K Ndaba: 37 DD Simelane: 41 NA Phoshoko: 40 HB Sibanyoni: 37 WS Maseko: 52 TG Malaza: 43 T Madonsela: 53 NP Mnisi: 32 TE Nkosi: 29 ML Twala: 36 FV Masina: 43 Total = 366 + 481 + 428 + 283 + 415 + 443 = 2 416					
Municipal Financial Viability & Management								
Revenue Management	58	Revenue collected through issued traffic	R1,816,052.01 revenue collected through issued traffic infringements summons by 30 June 2023.	N/A - Target Achieved	94 930,00	182 500,00	1 816 052,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		infringements summons.						
Basic Service Delivery and Infrastructure Development								
Environmental Management	127	Number of Environmental awareness campaigns held.	The following Environmental awareness campaigns were held during the period January 2023 to June 2023: 1) Environmental Awareness Campaign held 20 February 2023 at Silobela complex 2) Environmental Awareness Campaign held 21 February 2023 at Elukwatini complex 3) Clean-up campaign (Illegal sites & Skip bins) held 22 February 2023 at Elukwatini 4) Clean-up campaign held 30 March 2023 at Empuluzi 5) Lauch of Waste Participants and Clean-up campaign held 03 April 2023 at Oshoek Boarder 6) Greening campaigns at Lydia's mission hope centre held 04 April 2023 at Emanzana 7) Clean-up campaign held 18 April 2023 at Empuluzi 8) Environmental Awareness held 16 May 2023 at Mpuluzi Mayflower Community Hall 9) Environmental Awareness held 17 May 2023 at Empuluzi Fernie B Community Hall 10) Environmental Awareness held 22 May 2023 at Emanzana (Vrisland Farm Mantjolo) 11) Clean-up campaign held 26 May 2023 at Elukwatini C New Stand 12) Clean-up campaign held 26 May 2023 at Tjakastad Mabovini ward 13 13) Clean-up campaigns held 26 may 2023 at Elukwatini RDP next to Rema Church 14) Clean-up campaign held 26 May 2023 at Manzana Dlamini A	N/A - Target Achieved	14,00	2,00	23,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			15) Clean-up campaign held 26 May 2023 at Tjakastad Mabovini ward 18 16) Clean-up campaign held 26 May 2023 at Nhlazatshe 4 Emobeni ward 20 17) Clean-up campaign held 26 May 2023 at Manzana Dlamini D 18) Clean-up campaign held 26 May 2023 at Nhlazatshe Uncle D ward 24 19) Clean-up campaign held 26 May 2023 at Nhlazatshe 1 next to Stars ward 25 20) Clean-up campaign held 02 June 2023 at Nhlazatshe 7, Elukwatini 21) Clean-up campaign held 09 June 2023 behind KFC at Elukwatini 22) World Environmental day awareness held 12 June 2023 at Elukwatini Taxi Rank 23) Clean-up campaign held 13 June 2023 at 13 June 2023 at Elukwatini					

Planning and Economic Development – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Spatial Rationale and Municipal Planning Alignment								
Eradication of informal settlement	9	Number of studies conducted for the	Geotechnical investigation report for the establishment of cemeteries compiled 15 June 2023	N/A - Target Achieved	N/A – New KPI	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
and Township establishment		establishment of cemeteries.						
Eradication of informal settlement and Township establishment	10	Number of studies conducted for township formalization.	3 Studies were conducted for township formalisation: - Silobela ext 4 - Nhlazatshe ext 1 - Padkamp	**A) Reason for Overachieving Target:** Proactive inclusion of additional township establishment projects during the mid-year budget and performance review 2022/23. **B) Corrective Action:** To report on any additional programmes or mandates that might arise during an active financial year.	N/A – New KPI	1,00	3,00	5,00
Eradication of informal settlement and Township establishment	11	Number of studies conducted for township establishment.	1 study conducted for Township of Silobela Ext 5	N/A - Target Achieved	N/A – New KPI	1,00	1,00	3,00
Integrated Human Settlement Planning	12	Percentage of human settlements projects monitored.	**Numerator:** 36 - Total number of Human Settlement projects monitored* * The following projects were monitored : **July: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **August: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **September: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **October: 3**	N/A - Target Achieved	N/A – New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **November: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **December: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **January: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **February: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **March: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **April: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **May: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **June: 3** KD Madonsela (1), Umcebo project (1), TikoTiko Trading (1) **Denominator: 36** Calculation: 36/36 = 100%					
Integrated Human Settlement Planning	13	Number of forms captured on National Housing Needs	Number of forms captured on the National Housing Needs: 1) July 2022 - 28 Forms 2) August 2022 - 70 Forms 3) September 2022 - 32 Forms 4) October 2022 - 66 Forms	**A) Reason for Overachieving Target:** Due to the implementation of a Ward-Based human settlements beneficiary identification and verification programme.	N/A – New KPI	320,00	868,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			5) November 2022 - 110 Forms 6) December 2022 - 45 Forms 7) January 2023 - 100 Forms 8) February 2023 - 85 Forms 9) March 2023 - 101 10) April 2023 - 71 11) May 2023 - 133 12) June 2023 - 26 Calculations: 28 + 70 + 32 + 66 + 110 + 45 + 100 + 85 + 101 + 71 + 133 + 26 = 868	**B) Corrective Action:** To ensure the effective implementation and efficient execution of the same programme within Wards through proper capacitation of all stakeholders.				
Integrated Human Settlement Planning	14	Number of consumer education conducted.	The following Consumer education were conducted during the period July 2022 to June 2023: 1) Walk-ins, 01 – 30 July 2022 2) Nhlazatshe Areas, 18 July 2022 3) Silobela EXT.2, 03 August 2022 4) Silobela EXT.2, 10 August 2022 5) Silobela EXT.2, 11 August 2022 6) Silobela EXT.2, 24 August 2022 7) Silobela EXT.2, 25 August 2022 8) Tjakastad, 07 September 2022 9) Ekulindeni/Mooiplaas, 08 September 2022 10) Elukwatini, 22 September 2022 11) Emanzana, 23 September 2022 12) Mayflower 27 September 2022 13) Fernie, 28 September 2022 14) Carolina, 29 September 2022 15) Walk-ins, 01-30 September 2022 **<Refer to quarter 1 POE>** 16) Walk-ins, 03 - 30 October 2022 17) Walk-ins, 01 - 30 November 2022 18) Handover of Title Deeds Ekulindeni, 08 December 2022 **<Refer to quarter 2 POE>** 19) Silobela, 09 - 31 January 2023	**A) Reason for Overachieving Target:** Due to accounting for all other additional platforms used by the Section to provide consumer education to existing as well as potential human settlements beneficiaries. **B) Corrective Action:** To identify all other platforms that the Section utilizes to provide consumer education to existing as well as potential human settlements beneficiaries.	N/A – New KPI	12,00	31,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			20) Empuluzi A, C, E, 25 January 2023 21) Walk-ins, 03 - 31 January 2023 22) Silobela, 01 - 28 February 2023 23) Fernie A, 08 February 2023 24) Ekulindeni, 09 February 2023 25) Fernie B, 27 February 2023 **<Refer to quarter 3 POE>** 26) Ekulindeni, 03 - 30 April 2023 27) Ward 15, 02 - 31 May 2023 28) Diepdale, 16 May 2023 29) Swallosnest, 18 May 2023 30) Carolina, 19 May 2023 31) Fernie A, 14 June 2023					
Local Economic Development								
Facilitation of Local Economic Development projects	46	Number of led strategy projects implemented.	The following led projects are monitored and implemented: 1) Keole Trading Recycling project 2) Dundonald Agri-Hub project	N/A - Target Achieved	N/A – New KPI	2,00	2,00	3,00
Special LED support Initiatives	47	Number of co-operatives offered support.	The following Co-operatives has been offered support: 1) M&M Poultry - Donation of poultry feed, 05 August 2022 2) Sakhile Hawkers - Distribution of umbrella's, 05 August 2022 3) Simunye Coop - Distribution of sewing equipment, 05 August 2022 4) Workshop of co-operatives, 21 September 2022 5) Lutshintsho Primary Cooperative - Delivery of Production Feeds, 13 September 2022 6) Khula Ngolwazi Trading – Delivery of Seedlings, 13 September 2022 7) Khula Ngolwazi Co-op Delivery of Fertiliser, 07 October 2022	**A) Reason for Overachieving Target:** Due to the additional identification and profiling as well as support of more cooperatives and businesses in other inter-governmental programmes and platforms. **B) Corrective Action:** To commence and conclude with the identification and profiling of small Businesses and Co-operatives within the Municipality in order to create a new database in the 2023/24 financial year.	128,00	12,00	23,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			8) Emasisweni Agricultural Projects – Delivery of Fertiliser and Jojo tank, 07 October 2022 9) Umbuso Welusha Primary Agriculture Co-op - Delivery of Fertiliser and Jojo tank, 07 September 2022 10) M&M poultry – Delivery of Chicken feeds, 07 October 2022 11) Muntulwati Co-operative - Delivery of Chicken feeds, 7 October 2022 12) Khuboni Poultry Farming – Delivery of Feeds, Starter and Grower Mash, 22 November 2022 13) Tikhutsali Co-op - Delivery of chicken feeds, 07 December 2022 14) Umngemane Co-operative - Delivery of chicken feeds, 07 December 2022 15) Singoyi Co-op - Delivery of chicken feed, 07 December 2022 16) Meeting Diepdale farmers, 05 December 2022 17) Umngemane co-op - Donation of manure, 08 December 2022 18) Phakama co-op - Donation of manure, 08 December 2022 19) Empini Co-operative - Delivery of manure, 08 December 2022 20) Singoyi Cooperatives - Workshop, 17 January 2023 21) Tikhutsali Co-operatives - Workshop, 16 January 2023 22) Ntababovu Cooperatives - Seeds and hand over, 04 May 2023 23) Empini and Horizona Agri Cooperatives - Profiling, 29 June 2023					
Tourism Promotion	48	Number of tourism awareness campaigns conducted.	The following tourism awareness campaigns were conducted: 1) 12 July 2022 at Emanzana and Elukwatini 2) 14 July 2022 at Nhlazatshe & Malahleka 3) 29 July 2022 at Oshoek 4) 05 August 2022 at Emanzana 5) 29 August 2022 at Carolina 6) 16 September 2022 at Emanzana	**A) Reason for Overachieving Target:** Accounting for other tourism-related operational and day-to-day programmes undertaken by the LED Section. **B) Corrective Action:**	22,00	4,00	14,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			7) 13 January 2023 at Carolina 8) 20 January 2023 at Carolina 9) 02 March 2023 at Carolina 10) 05 March 2023 at Emanzana 11) 9 - 11 May 2023 at Durban ICC 12) 16 May 2023 at Arai 13) 18 May 2023 at Lothair Mpuluzi 14) 28 May 2023 at Ebutsini-Ekulindeni	To limit all tourism-related programmes to those that are formally planned for with the involvement of other sector departments and stakeholders.				
Local Economic Development Stakeholder engagement	49	Number of led related forums/meeting coordinated.	The following led related forums/meeting were coordinated on: 1) 02 November 2022 2) 24 November 2022 3) 24 February 2023 4) 15 June 2023	N/A - Target Achieved	N/A – New KPI	4,00	4,00	3,00
Good governance and Public Participation								
Coordination and alignment of planning	72	Number of process plan and framework plan approved.	IDP/Budget Process plan for 2022/23 adopted by Council on 30 August 2022, reference CL1.119	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	73	Number of IDP public consultations conducted.	IDP public consultations were conducted as follows: 1) 16 August 2022 at Glenmore Community Hall 2) 17 August 2022 at Elukwatini Community Hall 3) 18 August 2022 at Emanzana Skills Centre 4) 18 August 2022 at Lochiel Sassa Centre 5) 17 August 2022 at Mooiplaas Youth Centre 6) 15 August 2022 at Fernie Thusong Centre 7) 01 September 2022 at Avontuur 8) 01 September 2022 at Steyn's 9) 07 September 2022 at Taxi Rank 10) 07 September 2022 at Nanana Ground 11) 08 September 2022 at Deepdale 12) 09 September 2022 at Nhlazatshe 6	**A) Reason for Overachieving Target:** IDP public consultation meetings are conducted in all municipal wards and the programme is non-exhaustive. **B) Corrective Action:** To intensify our public consultation sessions within all wards and other inter-governmental platforms.	1,00	25,00	28,00	3,36

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			13) 11 September 2022 at Sphakamile Comb. School 14) 14 September 2022 at Nhlazatshe 6 Grounds 15) 16 September 2022 at Enkaba 16) 16 September 2022 at Ndonga 17) 20 September 2022 at Khuzulwandle 18) 22 September 2022 at Roman Catholic Church 19) 22 September 2022 at Elukwatini Community Hall 20) 23 September 2022 at Open Ground 21) 23 September 2022 at Zenzeleni Open Ground 22) 24 September 2022 at Carolina Town Hall 23) 24 September 2022 at Sikhulasonke 24) 25 September 2022 at Silobela Community Hall VD 25) 25 September 2022 Siyabonga School open space 26) 12 October 2022 at Emhlangazane Primary School 27) 14 October 2022 at Waverly Ground 28) 13 October 2022 at eMa 18 Open Grounds				
Coordination and alignment of planning	74	Draft Municipal IDP submitted for approval to Council by end of March 2023	2023/24 Draft IDP submitted to Council meeting held 30 March 2023, reference CL1.040	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	75	Final IDP tabled and approved by Council by 31 May 2023	2023/24 Final IDP approved by Council on meeting held 23 May 2023, reference CL1.068	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	128	Number of strategic planning	CALM Strategic Planning sessions were conducted as follows: 1) 26 & 27 January 2023 at Elukwatini Fire Station 2) 09 & 10 March 2023 at Emanzana	N/A - Target Achieved	N/A – New KPI	2,00	2,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		sessions conducted						
Local Economic Development								
Local Economic Development Stakeholder engagement	129	Host Investment Initiatives	Investment summit held on 29 - 30 June 2023 at Emanzana, Forever Resort	N/A - Target Achieved	N/A – New KPI	1,00	1,00	3,00
Spatial Rationale and Municipal Planning Alignment								
Land Use and Development Management	130	Percentage of land use and development applications processed within the legislated timeframe	**Numerator:** 2* *Total number of Land Use and development applications processed within 120 days 1) Application - Portion 2 and 3 of Erf 751 Carolina (Consolidation) Date application received - 27 June 2023 Status: Finalised Turn Around Time - 27 days 2) Erf 840 Carolina (Rezoning) Date application received - 29 May 2023	N/A - Target Achieved	N/A – New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Status: Pending Turn Around Time - Not calculated Still within the 120 days **Denominator:** 2* Total number of Land Use and Development applications received 1) Portion 2 and 3 of Erf 751 Carolina (Consolidation) 2) Erf 840 Carolina (Rezoning) Calculations: 2/2 = 100%					
Building Control Management	131	Percentage of building plans processed within the legislated timeframe	The following applications were received and processed within the legislated time: 1) IFJ Properties received 12 January 2023 2) Chirwa Sizakele Alice received 18 January 2023 3) Baadtsiesbult Boerdery (PTY) LTD received 10 February 2023 4) Pant Beleggings Close Corporation received 10 February 2023 5) M.P Mabuza received 25 April 2023 6) Mpisikazi extension 01 received 02 May 2023 7) Erf 5 Mpisikazi received 05 May 2023 8) Portion 2 of erf 737 received 20 April 2023 9) Erf 764 (Padkamp) Carolina	N/A - Target Achieved	N/A – New KPI	100%	100%	3,00

Technical Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Basic Service Delivery and Infrastructure Development								
Project Management	15	% of water programmes funded through (RBIG/WSIG/MIG) successfully monitored and completed as per the SLA	**Numerator:** 5* * Water programs monitored with SLA's 1) ALMT 02/2022 - Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Mℓ/day 2) ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04 3) ALMT 18/2017 - Installation of the different sizes of the water pipelines, Installation of the valves, installation of water meters, connection to the existing network, pipe marking 4) ALMT 18/2021 - Eerstehoek Bulk Water Scheme - Phase 3 5) ALMT 18/2022 - Eerstehoek Bulk Water Scheme - Phase 4 **Denominator:** 5*	N/A - Target achieved.	7,00	100,00%	100,00 %	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			* Total number of water programs 1) ALMT 02/2022 - Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Mℓ/day 2) ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04 3) ALMT 18/2017 - Installation of the different sizes of the water pipelines, Installation of the valves, installation of water meters, connection to the existing network, pipe marking 4) ALMT 18/2021 - Eerstehoek Bulk Water Scheme - Phase 3 5) ALMT 18/2022 - Eerstehoek Bulk Water Scheme - Phase 4 Calculations: 5/5 = 100%					
Project Management	16	% of sanitation programmes funded through (RBIG/WSIG/MIG) successfully monitored and completed as per the SLA	**Numerator:** 6* * Sanitations programmes monitored 1) ALMT 12/2022 - Construction of VIP Toilets 2012-2015 2) ALMP 05/2014 - Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23 3) ALMT 14/2022 - Upgrading of Waste Water Treatment Works to 3ML/day in Empuluzi Ward 04,07&09 (Contract 1,2&5) 4) ALMT 18/2017 - Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system 5) ALMT 15/2022 - Installation of a pumping and gravity sewer pipelines (160mm,etc), Installation of the manholes, Refurbishment/ construction of the pump stations, Electricity (ESKOM/ Municipal) connection, Testing of the pipelines. 6) ALMT 16/2022 - Refurbishment of the sludge drying	N/A - Target achieved.	3,00	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifiers mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4 **Denominator:** 6* Total number of sanitation programmes 1) ALMT 12/2022 - Construction of VIP Toilets 2012-2015 2) ALMP 05/2014 - Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23 3) ALMT 14/2022 - Upgrading of Waste Water Treatment Works to 3ML/day in Empuluzi Ward 04,07&09 (Contract 1,2&5) 4) ALMT 18/2017 - Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system 5) ALMT 15/2022 - Installation of a pumping and gravity sewer pipelines (160mm,etc), Installation of the manholes, Refurbishment/ construction of the pump stations, Electricity (ESKOM/ Municipal) connection, Testing of the pipelines. 6) ALMT 16/2022 - Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifiers mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Calculations: 6/6 = 100%					
Project Management	17	% of electrification programmes funded through (DMRE) successfully monitored and completed as per the SLA	**Numerator:** 1* * Electricity programmes monitored 1) ALMT 37/2020 - Bulk Electrical Infrastructure **Denominator:** 1* Number of electrification programmes 1) ALMT 37/2020 - Bulk Electrical Infrastructure Calculations 1/1 = 100%	N/A - Target achieved	3,00	100,00%	100,00%	3,00
Project Management	18	% of roads programmes funded through (MIG) successfully monitored and completed as per the SLA	**Numerator:** 6* * Roads programmes monitored 1) ALMT 04/2022 - Construction of Carolina Collector Access Roads 2) ALMT 03/2022 - Construction of Dundonald Collector Access Roads 3) ALMT 07/2019 - Construction of Fernie Collector Access Roads 4) ALMP 01/2022 - Construction of Nhlazatshe 3 Collector Access Road 5) ALMT 25/2020 - Construction of Nhlazatshe Road 6) ALMP 02/2022 - Construction of Nhlazathse Road 2km	N/A - Target achieved	3,00	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Denominator: 6* *Total number of Roads programmes: 1) ALMT 04/2022 - Construction of Carolina Collector Access Roads 2) ALMT 03/2022 - Construction of Dundonald Collector Access Roads 3) ALMT 07/2019 - Construction of Fernie Collector Access Roads 4) ALMP 01/2022 - Construction of Nhlazatshe 3 Collector Access Road 5) ALMT 25/2020 - Construction of Nhlazatshe Road 6) ALMP 02/2022 - Construction of Nhlazatshe Road 2km Calculations: 6/6 = 100%				
Project Management	19	% of public facilities programmes funded through (MIG) successfully monitored and completed as per the SLA	**Numerator:** 3* Total number of public facilities programmes monitored: 1) ALMT 13/2021 - Installation of Highmast lights 2) ALMT 02/2017 - Purchase of the three (3) Specialised Waste Management Vehicles for CALM 3) ALMP 03/2022 - construction of Badplass Landfill site **Denominator:** 3* Total number of public facilities programmes: 1) ALMT 13/2021 - Installation of Highmast lights 2) ALMT 02/2017 - Purchase of the three (3) Specialised Waste Management Vehicles for CALM 3) ALMP 03/2022 - construction of Badplass Landfill site	N/A - Target achieved	1,00	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Calculations: 3/3 = 100%					
Roads	20	Number of kilometers of gravel roads maintained	Total number of kilometers of gravel roads maintained: July 2022 - 93km August 2022 - 87km September 2022 - 70km October 2022 - 52km November 2022 - 29km December 2022: 38km January 2023 - 15km February 2023 - 7,5km March 2023 - 23,7km April 2023 - 25,5km May 2023 - 26,82km June 2023 - 86,2km Total = 93km + 87km + 70km + 52km + 29km + 15km + 38km + 7,5km + 23,7km + 25,5km + 26,82km + 86,2km = 553,72km	N/A - Target achieved	414,90	543,00	553,72	3,06
Roads	21	Number of square meters of tarred roads potholes repaired	Total number of square meters of tarred roads potholes repaired: July 2022 - 940m2 August 2022 - 55m2 September 2022 - 15m2 October 2022 - 45m2 November 2022 - 29m2 December 2022 - 16,25m2 January 2023 - 22,7m2 February 2023 - 13,2m2 March 2023 - 11,68m2 April 2023 - 53m2	**A) Reason for Overachieving Target:** Assisted by GSDM through Jetpatcher **B) Corrective Action:** None	2 212,00	1 500,00	2 699,65	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			May 2023 - 1498,82m2 June 2023 - 0 Total: 940m2 + 55m2 + 15m2 + 45m2 + 29m2 + 16,25 + 22,7m2 + 1,4m2 + 11,68m2 + 53m2 + 1498,82m2 + 0 = 2699,65m2					
Roads	22	Number of square meters of resealing tarred roads through the support by GSDM	9203,37 resealed at Ward 15	**A) Reason for Overachieving Target:** The GSDM co-funded the program **B) Corrective Action:** None	3 080,00	2 000,00	9 203,37	5,00
Roads	23	Number of foot bridges constructed.	**Numerator:** **3** *Total number of foot bridged constructed as at 30 June 2023 **Quarter 1: 1** Constructed in Mooiplaas road at ward 19 **Quarter 2: 0** **Quarter 3: 0** **Quarter 4: 2** Constructed in Gogo Shongwe road ward 14 Constructed in EXT 5 ward 15 Total: 3	N/A - Target achieved	2,00	3,00	3,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Roads	24	Number of vehicle bridges repaired.	**Numerator: 4** *Total number of vehicle bridges constructed as at 30 June 2023 **Quarter 1: 2** 1) Constructed at Ward 7, Empuluzi - Wesley Bridge 2) Constructed at Ward 14, Elukwatini - Takheni Bridge **Quarter 2: 1** 1) Constructed at Ward 7, Carolina - Sobhuza Road & Graveyard **Quarter 3: 1** Constructed at Ward 17, Manzana Prayer Mountain Total: 2 + 1 + 1 = 4	**A) Reason for Overachieving Target:** Assisted by PWRT **B) Corrective Action:** None	3,00	2,00	4,00	5,00
Roads	25	Number of Speed humps constructed on existing paved roads.	Speed humps were constructed on the following existing paved roads: **Quarter 1: 9** 1) 2 Speed humps constructed in Peace Street, Ward 15 2) 2 Speed humps constructed in Breytenbech Street, Ward 15 3) 2 Speed humps constructed in Mvddel Street, Ward 15 4) 1 Speed hump constructed in Breyten Middle Street, Ward 15 5) 2 Speed humps constructed in Bantfwabethu Access Road, Ward 14 **Quarter 2: 2** 1) 2 Speed humps constructed in Mayflower Ring Road, Ward 4 **Quarter 3: 0**	N/A - Target achieved.	19,00	16,00	16,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			None **Quarter 4: 5** 1) 1 Speed humps constructed in 4 Rand Ring Road, Ward 17 2) 1 Speed humps constructed in 4 Rand Ring Road, Ward 23 3) 1 Speed humps constructed in 4 Rand Ring Road, Ward 23 4) 2 Speed humps constructed in 4 Redhill Pavement Ward 09 Total: 9 + 2 + 0 + 2 + 5 = 16					
Electro-Mechanics	26	Percentage of boreholes repaired & maintained within 5 days after being reported.	**Numerator:** 80 - Total number of boreholes repaired and maintained during the reporting period* * Number of boreholes repaired and maintained: Quarter 1: 14 Quarter 2: 21 Quarter 3: 26 Quarter 4: 19 **Denominator:** 80 - Total number of boreholes reported Quarter 1 - 14 Quarter 2 - 21 Quarter 3 - 26 Quarter 4: 19 Calculation: 80/80 = 100%	N/A - Target achieved.	56,00	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Electro-Mechanics	27	Percentage of pumps and motors repaired & maintained within 3 days after being reported.	**Numerator:** 35 - Total number of pumps and motors repaired and maintained during the reporting period* * Number of pumps and motors repaired and maintained: Quarter 1: 11 Quarter 2: 9 Quarter 3: 7 Quarter 4: 8 **Denominator:** 35 - Total number of pumps and motors reported Quarter 1 - 11 Quarter 2 - 9 Quarter 3 - 7 Quarter 4: 8 Calculation: 35/35 = 100%	N/A - Target achieved.	44,00	100%	100%	3,00
Electro-Mechanics	28	Percentage of electrical panels repaired/ maintained after faults detected within 2 days.	**Numerator:** 44 - Total number of electrical panels (Electro-Mech) repaired/repaired and maintained during the reporting period* * Number of electrical panels (Electro-Mech) repaired and maintained: Quarter 1: 13 Quarter 2: 8 Quarter 3: 9 Quarter 4: 14 **Denominator:** 44 - Total number of electrical panels (Electro-Mech) reported	N/A - Target achieved.	N/A – New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Quarter 1: 13 Quarter 2: 8 Quarter 3: 9 Quarter 4: 14 Calculation: 44/44 = 100%					
Electro-Mechanics	29	Percentage of service delivery vehicle maintained within 5 days of being reported	**Numerator:** 106 - Total number of service delivery vehicle maintained during the reporting period* * Number of service delivery vehicle maintained: Quarter 1: 20 Quarter 2: 20 Quarter 3: 36 Quarter 4: 30 **Denominator:** 106 - Total number of service vehicle reported Quarter 1: 20 Quarter 2: 20 Quarter 3: 36 Quarter 4: 30 Calculation: 106/106 = 100%	N/A - Target achieved.	N/A – New KPI	100%	100%	3,00
Water	30	Number of mega litres of portable water distributed	Portable water distributed during the period July 2022 to June 2023: Carolina WTW Meter Readings - 575,93Ml Manzana WTW Meter Readings - 665,04Ml Ekulindeni WTW Meter Readings - 815,30Ml Lusushwana WTW Meter Readings - 507,5Ml Mpuluzi WTW Meter Readings - 1180,95Ml Methula WTW - 181,37Ml	**A) Reason for not Achieving Target/Current Challenges:** Non-functioning of Bulk Meters and loadshedding **B) Corrective Action:** 1) Installation of new Bulk meters in all water treatment plants that do not have Bulk	N/A – New KPI	10 080 000 000,00	3 926 090 000,00	1,17

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Calculations: 3926,090Ml Total: 3,926,090,000L	Meters. Bulk meters will be procured during the second quarter of the 2023/24 Financial year. 2) Procure stand-by generators to backup when there is loadshedding. In 9 WTW plants, 5 generators were procured and the remaining 4 generators will be procured in the 2023/24 Financial Year.				
Water	31	Number of mega litres of water supplied to deep rural areas	Mega litre of water supplied to deep rural areas as follows: 1) Elukwatini: 26 September 2022 to 23 October 2022 = 493 000L 2) Elukwatini: 29 September 2022 to 20 October 2022 = 313 500L 3) Elukwatini: 26 September 2022 to 27 November 2022 = 965 000L 4) Elukwatini: 26 September 2022 to 25 October 2022 = 597 400L 5) Elukwatini: 03 October 2022 to 25 October 2022 = 625 200L 6) Elukwatini: 26 October 2022 to 27 November 2022 = 575 250L 7) Elukwatini: 14 October 2022 to 30 November 2022 = 682 500L 8) Ekulindeni: 02 November 2022 to 27 November 2022 = 819 600L 9) Elukwatini: 07 November to 25 November 2022 = 340 000L 10) Elukwatini: 26 November to 30 December 2022 = 408 500L 11) Elukwatini: 03 December 2022 to 24 December 2022 = 708 000L 12) Elukwatini: 05 December 2022 to 31 December 2022 = 675 000L 13) Elukwatini: 02 December 2022 to 31 December 2022 = 697 000L	**A) Reason for not Achieving Target/Current Challenges:** Delay on water truck repairs breakdown and loadshedding **B) Corrective Action:** 1) Have a prior arrangement with the service provider on availability of spare parts during the beginning of the 2023/24 Financial Year. 2) Procurement of provision of stand-by generators in all water treatment plants. In 9 WTW plants, 5 generators were procured and the remaining 4 generators for will be procured in the 2023/24 Financial Year.	N/A – New KPI	107 520 000,00	21 857 050,00	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			14) Elukwatini: 04 January 2023 to 23 January 2023 = 336 000L 15) Elukwatini: 02 January 2023 to 25 January 2023 = 754 000L 16) Elukwatini: 26 January 2023 to 24 February 2023 = 862 200L 17) Elukwatini: 30 January 2023 to 24 February 2023 = 816 950L 18) Ekulindeni: 06 February 2023 to 24 February 2023 = 433 250L 19) Elukwatini: 14 February 2023 to 27 February 2023 = 378 250L 20) Elukwatini: 27 February 2023 to 12 April 2023 = 404 000L 21) Elukwatini: 06 March 2023 to 25 March 2023 = 410 500L 22) Elukwatini: 26 March 2023 to 25 April 2023 = 789 000L 23) Elukwatini: 26 March 2023 to 25 April 2023 = 830 000L 24) Elukwatini: 19 April 2023 to 27 April 2023 = 385 250L 25) Carolina: 06 June 2023 to 23 June 2023 = 298 650L 26) Mpuluzi: 01 June 2023 to 19 June 2023 = 255 200L 27) Elukwatini: 01 May 2023 to 25 May 2023 = 690 900L 28) Elukwatini 01 May 2023 to 26 May 2023 = 294 500L 29) Elukwatini: 02 May 2023 to 31 May 2023 = 1 036 500L 30) Elukwatini: 01 June 2023 30 June 2023, and 31 May to 31 May 2023 = 963 200L 31) Elukwatini: 06 March 2023 to 25 March 2023 = 410 500L 32) Elukwatini: 07 March 2023 to 26 March 2023 = 291 000L 33) Elukwatini: 01 March 2023 to 19 March 2023 = 153 000L 34) Elukwatini: 26 April 2023 to 30 April 2023 = 207 500L 35) Elukwatini: 19 April 2023 to 25 April 2023 and 27 March 2023 = 243 300L				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			36) Ekulindeni: 09 June 2023 to 11 June 2023 = 154 000L 37) Elukwatini: 01 May 2023 to 25 May 2023 = 487 000L 38) Elukwatini: 01 May 2023 to 14 May 2023 = 343 000L 39) Elukwatini: 26 December 2023 to 25 January 2023 = 1 027 000L 40) Ekulindeni - 03 May 2023 to 22 May 2023 = 472 000L 41) Empuluzi - 12 May 2023 to 20 May 2023 = 230 450L Total water supplied = 21 857 050L					
Water	32	percentage of network failure reported and responded to within 5 days.	100% Network failure reported and attended to within 5 days during the period quarter 1 to quarter 4	N/A - Target achieved.	6 626,4m	100%	100%	3,00
Water	33	Percentage of new households water connection received and responded to	**Numerator:** 5* *New water connection application received and responded to: 1) Date of Application: 22 September 2022 Address: 500/2 Hamman Street, Carolina, 1185 Connected: 22 September 2022 2) Date of Application: 24 February 2023 Address: 178/4 Caropark, Carolina, 1185 Connected: 01 March 2023 3) Date of Application: 07 February 2023 Address: Stand NO: 188 Coetzee Street, Carolina, 1185 Connected: 25 February 2023	N/A - Target achieved.	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			4) Date of Application: 15 March 2023 Address: 500/44 Hamman Street, Carolina, 1185 Connected: March 2023 5) Date of Application: 16 May 2023 Address: 946 EXT 4, Silobela, 1185 Connected: 29 May 2023 **Denominator:** 5* *Total number of new water connections received 1) 22 September 2022 2) 24 February 2023 3) 07 February 2023 4) 15 March 2023 5) 16 May 2023 Calculations: 5/5 = 100%					
Water	34	% of reports for Water Quality monitored in line with the agreed annual sampling Plan.	**Numerator:** * 491 * Monthly breakdown of samples taken per Month July 2022: 35 August 2022: 30 September 2022: 43 October 2022: 42 November 2022: 35 December 2022: 46 January 2023: 54 February 2023: 37 March 2023: 43 April 2023: 46 May: 48	**A) Reason for not Achieving Target/Current Challenges:** Rationing of water supply **B) Corrective Action:** Re-sampling within 3 days after the actual sampling date and conducting water samples internal	N/A – New KPI	100%	73%	2,19

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			June: 32 Total: 35 + 30 + 43 + 42 + 35 + 46 + 54 + 37 + 43 + 46 + 48 + 32 = 491 **Denominator:** * 672 * Total number of sampling points per Month July 2022: 56 August 2022: 56 September 2022: October 2022: 56 November 2022: 56 December 2022: 56 January 2023: 56 February 2023: 56 March 2023: 56 April 2023: 56 May 2023: 56 June 2023: 56 Total: 56 + 56 + 56 + 56 + 56 + 56 + 56 + 56 + 56 + 56 + 56 + 56 = 672 Calculations: 491/672 = 73,1%					
Electricity	35	Percentage of transformers repaired & maintained within 2 days after	**Numerator:** 99 - Total number of transformers repaired & maintained during the reporting period* * Number of transformers repaired and maintained: Quarter 1: 23 Quarter 2: 28 Quarter 3: 29	N/A - Target achieved.	89,00	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		being reported.	Quarter 4: 19 **Denominator:** 99 - Total number of transformers reported Quarter 1 - 23 Quarter 2 - 28 Quarter 3 - 29 Quarter 4 -19 Calculation: 99/99 = 100%					
Electricity	36	Number of public lights repaired & maintained.	Public lights repaired & maintained **Quarter 1: 181** July 2022 - 95 August 2022 - 31 September 2022: 55 **Quarter 2: 160** October 2022: 21 November 2022 - 63 December 2022 - 76 **Quarter 3: 155** January 2023 - 42 February 2023 - 68 March 2023 - 45 **Quarter 4: 133** April 2023 - 46 May 2023: 58 June 2023: 50 Total: 181 + 160 + 155 + 154 = 650	**A) Reason for Overachieving Target:** Vandalism by Community **B) Corrective Action:** None	446,00	490,00	650,00	3,98

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Electricity	37	Percentage of kilometers of electrical network repaired within 2 days after being reported.	**Numerator:** 36,22km - Total number of kilometers of electrical network repaired* * Number of kilometers of electrical network repaired and maintained: Quarter 1: 7,37km Quarter 2: 10,35km Quarter 3: 14,7km Quarter 4: 3,8km **Denominator:** 36,22km - Total number of kilometers of electrical network reported Quarter 1 - 7,37km Quarter 2 - 10,35km Quarter 3 - 14,7km Quarter 4: 3,8km Calculation: 32,42km /32,42km = 100%	N/A - Target achieved.	71,05	100%	100%	3,00
Electricity	38	Percentage of panels and substations repaired & maintained within 2 days after being reported.	**Numerator:** 30 - Total number of electrical panels and substations repaired/maintained during the reporting period* * Number of pumps and motors repaired and maintained: Quarter 1: 11 Quarter 2: 11 Quarter 3: 5 Quarter 4: 3 **Denominator:** 30 - Total number of electrical panels and substations reported	N/A - Target achieved	23,00	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Quarter 1 - 11 Quarter 2 - 11 Quarter 3 - 5 Quarter 4: 3 Calculation: 30/30 = 100%					
Electricity	39	Percentage of Ring Main Units (RMU) repaired & maintained within 2 days after being reported	**Numerator:** 33 - Total number of Ring Main Units (RMU) repaired and maintained during the reporting period* * Number of Ring Main Units (RMU) repaired and maintained: Quarter 1: 10 Quarter 2: 9 Quarter 3: 6 Quarter 4: 8 **Denominator:** 33 - Total number of Ring Main Units reported Quarter 1 - 10 Quarter 2 - 9 Quarter 3 - 6 Quarter 4: 8 Calculation: 33/33 = 100%	N/A - Target achieved.	55,00	100%	100%	3,00
Electricity	40	Number of smart meters installed.	**Numerator:** 177 - Total number of smart meters installed **Quarter 1: 89** July 2022: 31 August 2022: 39 September 2022: 19	**A) Reason for Overachieving Target:** Illegal connections and damaged infrastructure **B) Corrective Action:** None	212,00	200,00	219,00	3,29

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			Quarter 2: 43 October 2022: 19 November 2022: 16 December 2022: 8 **Quarter 3: 31** January 2023: 4 February 2023: 27 March 2023: 0 **Quarter 4: 56** April 2023: 5 May 2023: 19 June 2023: 32 Total: 89 + 43 + 31 + 56 = 219					
Water	132	% of households with access to basic levels of water by 30 June 2023(GKPI)	**Numerator: 53 480** 1) 48 069 - Total number of households with access piped water inside dwelling/yard 2) 3 428 - Total number of households with access to water through Boreholes 3) 1 983 - Total number of households with access to water tankers **Denominator: 53 480** Calculations: 53 480/53 480 = 100%	**A) Reason for Overachieving Target:** Additional of Internal connections through operation and maintenance program **B) Corrective Action:** None	N/A – New KPI	90%	100%	3,33
Sanitation	133	% of households with access	**Numerator: 53 480** 1) 40 252 - Total number of households with access to waterborne/flush toilets	**A) Reason for Overachieving Target:** Additional of Internal connections through operation and maintenance program	N/A – New KPI	90%	100%	3,33

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		to basic levels of sanitation by 30 June 2023 (GKPI)	2) 1 498 - Total number of households with access to sanitation through septic tanks & chemical toilets 3) 11 532 - Total number of households with access to VIP toilets 4) 198 - Total number of households with access to pit (non-VIP) toilets 5) 0 - Total number of households with access to sanitation through bucket system **Denominator: 53 480** Calculations: 53 480/53 480 = 100%	**B) Corrective Action:** None				
Electricity	134	% of households with access to basic levels of electricity by 30 June 2023 (GKPI)	**Numerator: 52 849*** * Households connected to electricity **Denominator: 53 480*** *Total number of households Calculations: 52 849/53 480 = 98,82%	**A) Reason for Overachieving Target:** Additional of Internal connections through operation and maintenance program **B) Corrective Action:** None	N/A – New KPI	90%	99%	3,29

Corporate Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Municipal Institutional Development and Transformation								
Institutional Capacity Development	41	Percentage of critical positions filled.	**Numerator:** # of identified critical positions filled post level (level 3 and above) during the period of July - June'23 The following positions were filled July - June 2023 1) DPED - 01/07/2022 2) DCSS - 01/07/2022 3) Manager IDP - 01/08/2022 4) Manager ICT - 03/10/2022 5) Chief Fire Officer - 03/10/2022 6) Manager Communications and Marketing - 03/10/2022 7) Manager PMU - 03/10/2022 8) Chief Traffic Officer - 03/01/2023 9) DCS - 01/02/2023 10) CFO - 01/02/2023 11) Chief of Staff - 02/05/2023 **Denominator:** # of vacant/new budgeted vacant positions post level (level 3 and above) as per approved organogram 1) DPED 2) DCSS 3) Manager IDP 4) Manager ICT 5) Chief Fire Officer 6) Manager Communications and Marketing 7) Manager PMU	N/A - YTD Target Achieved	52,00	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			8) DCS 9) CFO 10) Chief Traffic Officer 11) Chief of Staff **Post Excluded:** < Recruitment processes are in progress> Manager HR PMS Manager Manager: ES Calculations: 11/11 = 100%					
Institutional Capacity Development	42	% of employees from previously disadvantaged groups appointed in the highest levels of management as per the approved EE plan by 30 June 2023 (GKPI)	**Numerator:** 38 - Number of black people, women and people with disabilities appointed in the 3 highest levels of management (Senior and Top Management - level 3 and above) **Denominator:** 38 - Total staff compliment (Senior Management and Top Management - level 3 and above) Calculation: 38/38= 100%	**A) Reason for Overachieving Target:** The reason we set a target of 85% was to accommodate all race. **B) Corrective Action:** None	27,00	85%	100%	3,53

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Institutional Capacity Development	45	Percentage of staff turnover rate	**Numerator:** Total # of resignations tendered by permanent employees during the period July 2022 - June 2023: Total = 5 The following employees resigned during the period July'22 - June'23: 1) B Mdutyulwa - (Resignation date: 01/07/2022) 2) MC Ngidi - (Resignation date: 29/07/2022) 3) G Mnisi - (Resignation date: 05/08/2022) 4) BR Masina - (Resignation date: 05/12/2022) 5) SR Mahlangu - (Resignation date: 31/05/2023) **Denominator:** 485 - Total # of employees on the monthly payroll as at 30 June 2023 Average # of employees: 485/5 = 97 % turnover = 5/97 = 5%	N/A - YTD Target Achieved	5%	5%	5%	3,00
Municipal Financial Viability and Management								
Revenue Management	59	Revenue collected from leasing of community	R77 900,36 was collected through the leasing of Community as at 30 June 2023	**A) Reason for Overachieving Target:** The hiring of municipal halls had declined in previous years due to backlog of maintaining our halls, hence we targeted R40 000. **B) Corrective Action:** None	N/A – New KPI	40 000,00	77 900,36	5,00
Municipal Institutional Development and Transformation								

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Institutional Capacity Development	62	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June 2023	**Numerator:** R55,821 - Actual training Expenditure for the period 1 July 2022 to 30 June 2023 **Denominator:** R389,696.69 **-** Total budget allocated for implementing WSP for the period July 2022 - June 2023 **Calculation:** R55,821/R389,696.69 = 14%	**A) Reason for not Achieving Target/Current Challenges:** The variant is as a result of certain planned activities being cancelled due to unavailability of service provider. **B) Corrective Action:** Appoint a panel of service providers by end of September 2023.	100%	100%	14%	1,00
Good Governance and Public Participation								
Public Participation	84	Number of Portfolio Committee meetings held	The following section 80 Portfolio Committee meetings were held during the period July 2022 to June 2023: 1) 14 July 2022 2) 18 August 2022 3) 22 September 2022 4) 14 October 2022 5) 22 November 2022 6) 09 December 2022 7) 13 January 2023 8) 16 February 2023 9) 23 March 2023 10) 13 April 2023 11) 18 May 2023 12) 22 June 2023	N/A - YTD Target Achieved	N/A – New KPI	12,00	12,00	3,00
Public Participation	85	Number of Mayoral Committee meetings held	The following Mayoral Committee meetings were held during the period July 2022 to June 2023: 1) 19 July 2022 - held virtual on Microsoft Teams at 11H00 2) 28 July 2022 - held at Carolina Town Hall at 10H00 3) 10 August 2022 - held virtual on Microsoft Teams at 13H30	**A) Reason for Overachieving Target:** There were special issues that required attention of Council. **B) Corrective Action:** None	N/A – New KPI	12,00	16,00	4,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			4) 25 August 2022 (Special) - held virtual on Microsoft Teams at 10H00 5) 27 September 2022 - held virtual on Microsoft Teams at 18H00 6) 19 October 2022 - held virtual on Microsoft Teams at 11H00 7) 27 October 2022 - held at Carolina Town Hall at 10H30 8) 29 November 2022 - held virtual on Microsoft Teams at 18H00 9) 13 December 2022 - held virtual on Microsoft Teams at 11H00 10) 17 January 2023 - held virtual on Microsoft Teams at 16H00 11) 21 February 2023 - held virtual on Microsoft Teams at 11H00 12) 27 February 2023 (Special) - held at Enikwakuyengwa Traditional Offices, Haartebeeskop at 10H30 13) 30 March 2023 - held at Glenmore Community hall at 10H30 14) 26 April 2023 - held at Elukwatini Community Hall at 11H00 15) 19 May 2023 - held virtually on Microsoft Teams 16) 27 June 2023 - held virtual on Microsoft Teams					
Public Participation	86	Number of Council Meetings held	The following Council meetings were held during the period July 2022 to June 2023: 1) 28 July 2022 - held at Carolina Town Hall at 11H00 2) 10 August 2022 - held virtual on Microsoft Teams at 14H00 3) 30 August 2022 - held at Carolina Town Hall at 11H00 4) 29 September 2022 - held virtual on Microsoft Teams at 11H00 5) 27 October 2022 - held at Carolina Town Hall at 11H00 6) 25 January 2023 - held virtual on Microsoft Teams 7) 27 February 2023 - held at Enikwakuyengwa Traditional Offices, Hartebeeskop at 11H00	**A) Reason for Overachieving Target:** There were special issues that required attention of Council. **B) Corrective Action:** None	8,00	10,00	11,00	3,30

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			8) 30 March 2023 - held at Glenmore Community Hall at 11H00 9) 26 April 2023 - held at Elukwatini Community Hall at 11H00 10) 23 May 2023 - held at PJ26 Vriesland Farm Matjolo Tribal Office Emanzana at 11) 30 June 2023 - held virtual on Microsoft Teams 14H00					
Public Participation	87	Number of Management Committee meetings held	The following Management Committee meetings were held during the period July 2022 to June 2023: 1) 03 October 2022 2) 25 October 2022 3) 22 November 2022 4) 08 March 2022 5) 26 June 2023	**A) Reason for Overachieving Target:** There were compliance issues that needed special attention of Management **B) Corrective Action:** None	N/A – New KPI	4,00	5,00	3,75
Public Participation	88	Number of Local Labour Forum meetings held	The following Local Labour Forums meetings were held during the period July 2022 to June 2023: 1) 29 July 2022 2) 06 September 2022 3) 26 October 2023 4) 15 November 2022 5) 06 December 2022 6) 21 February 2023 7) 12 April 2023 8) 17 May 2023 9) 24 May 2023 10) 28 June 2023	N/A - YTD Target Achieved	N/A – New KPI	10,00	10,00	3,00
Public Participation	89	Number of management reports submitted to Mayoral	Management reports were submitted to Mayoral Committee meetings held: 1) 19 July 2022 2) 28 July 2022 3) 10 August 2022 4) 25 August 2022 (Special)	**A) Reason for Overachieving Target:** There were special issues that required attention of Council. **B) Corrective Action:** None	12,00	12,00	16,00	4,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		Committee Meeting.	5) 27 September 2022 6) 19 October 2022 7) 27 October 2022 8) 29 November 2022 9) 13 December 2022 10) 17 January 2023 11) 21 February 2023 12) 27 February 2023 (Special) 13) 30 March 2023 14) 26 April 2023 15) 19 May 2023 16) 27 June 2023					
Legal Services	91	Percentage Legal advice given	**Numerator: 245** Legal services unit has attended all litigation against Council and offered advice and guidance (Available and filled by Legal Section at CS Department) as follows: July 2022: 25 advices August 2022: 25 advices September 2022: 25 advices October 2022: 34 advices November 2022: 25 advices December 2022: 15 advices January 2023: 18 advices February 2023: 21 advices March 2023 - 20 advices April 2023 - 24 advices May 2023 - 29 June 2023 - 28 **Denominator: 245** Total number of legal advice received: July 2022: 25 August 2022: 25 September 2022: 25 October 2022: 34	N/A - YTD Target Achieved	N/A – New KPI	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			November 2022: 25 December 2022: 15 January 2023: 18 February 2023: 21 March 2023 - 20 April 2023 - 24 May 2023 - 29 June 2023 - 28 Calculations: 25 + 25 + 25 + 34 + 25 + 15 + 18 + 21 + 20 + 24 + 29 + 28 = 245/245 = 100%					
Communications	93	# of External newsletters (Insight) developed and distributed	1) 2022/23 Insight magazine issued for the period ending September 2022 2) 2022/23 Insight magazine issued for the period ending December 2022 3) 2022/23 Insight magazine issued for the period ending March 2023 4) 2022/23 Insight magazine issued for the period ending June 2023	N/A - YTD Target Achieved	0,00	4,00	4,00	3,00
Communications	96	Number of Community meetings held	The following community meetings were held: **July 2022:** - Ward 2 - 12 July 2022 at Boxer section - Ward 13 - 14 July 2022 at Makhosonke school - Ward 20 - 19 July 2022 at Emndeni - Ward 24 - 20 July 2022 at Kobheni **August 2022:** - Ward 25 - 31 August 2022 at Nazarene Church **September 2022:** - Ward 1 - 08 September 2022 at Diepdale Hall - Ward 2 - 16 September 2022 at Fernie B Community Hall - Ward 3 - 15 September 2022 at Khuphukane, Guruselani & Ntokozo p school	N/A - YTD Target Achieved	N/A – New KPI	12,00	12,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			- Ward 4 and 7 - 14 September 2022 at Boardroom - Ward 4 - 18 September 2022 at Baker & Ma4 - Ward 7 - 11 September 2022 - Ward 13 - 22 September 2022 at Khuzukhandle - Ward 11 - 24 September 2022 at Sikhulasonke - Ward 11 - 25 September 2022 at Siyabonga open space - Ward 16 - 27 September 2022 at Locheel Community Hall - Ward 12 - 15 November 2022 at Esihlahleni ka-Hlane - Ward 14 - 22 September 2022 at Julius Mkhonto - Ward 18 - 19 September 2022 at Mbhetjeka - Ward 11 - 23 September 2022 at Masuku Open Space - Ward 11 - 24 September 2022 at Tsatselani Training Centre - Ward 21 - 11 September 2022 at Siphakamile Combine School - Ward 24 - 14 September 2022 at Groundings - Ward 25 - 01 September 2022 at Steyas **October 2022:** - Ward 1 - 19 October 2022 at Syde Clinic - Ward 2 - 21 October 2022 at RW S.A -Ward 8 - 24 October 2022 at Magubane Ground - Ward 9 - 13 October 2022 at Ema 18 - Ward 9 - 14 October 2022 at Waverly - Ward 9 - 12 October 2022 at Emhlangazane - Ward 9 - 06 October 2022 at Redhill - Ward 16 - 30 October 2022 at Holnok Farm - Ward 16 - 12 October 2022 at Lochiel Community Hall - Ward 16 - 26 October 2022 at Brook C School - Ward 18 - 18 October 2022 at Smelty - Ward 19 - 14 October 2022 at - Ward 25 - 14 October 2022 at Siyeta Primary **November 2022:** - Ward 1 - 15 November 2022 at Ngodlomezi - Ward 3 - 15 November 2022 at Stanec Ground				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			- Ward 13 - 10 November 2022 at Taxi Rank Offices - Ward 13 - 14 November 2022 at Next to Highmass Right- Ward 14 - 18 November 2022 at Sports Ground - Ward 15 - 22 November 2022 at Carolina Town - Ward 16 - 08 November 2022 at Goliat Farm Maseko Family - Ward 16 - 12 October 2022 at Lochiel Community Hall - Ward 16 - 08 November 2022 at Goliat Farm Maseko Family - Ward 20 - 03 November 2022 at Tholulwazi **December 2022:** - Ward 15 - 07 December 2022 at ka Elijah **March 2023:** - Ward 1 - 08 March 2023 at Diepdale Hall - Ward 2 - March 2023 at Community Hall - Ward 3 - 16 March 2023 at Steens B - Ward 4 - 08 March 2023 at Munlopol Boardroom - Ward 5 - 14 March 2023 at Hloniphani Sport Ground - Ward 6 - 16 March 2023 at Madlangampisi Traditional Hall - Ward 7 - 13 March 2023 at Library - Ward 9 - 07 March 2023 at Phumlani Sport Ground - Ward 10 - 18 March 2023 at Emganwini - Ward 12 - 14 March 2023 at Ngonini - Ward 13 - 14 March 2023 at Top centre - Ward 16 - 11 March 2023 at Miliken Old Building - Ward 17 - 22 March 2023 at Inyathene Buildings - Ward 18 - 21 March 2023 at Ekukhanyeni - Ward 19 - 18 March 2023 at Youth centre mooiplaas - Ward 23 - 16 March 2023 at Von farm - Ward 25 - 08 March 2023 at Timeleni Primary Calculations: 1 + 1 + 1 + 1 + 1 + 1 + 1 = 7				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Communications	97	Number of Customer satisfaction surveys conducted	Customer satisfaction surveys were conducted for quarter 1 to 4 and no response from the community was received.	N/A - YTD Target Achieved	N/A – New KPI	4,00	4,00	3,00
ICT	99	Number of fire wall installed.	Sophos fire wall has been installed.	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00
ICT	100	Number of anti-virus installed	Malwarebytes anti-virus has been installed.	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00
ICT	101	Number of offsite backup conducted	Offsite backups were conducted for the following months: 1) July 2022 2) August 2022 3) September 2022 4) October 2022 5) November 2022 6) December 2022 7) January 2023 8) February 2023 9) March 2023 10) April 2023 11) May 2023 12) June 2023	N/A - YTD Target Achieved	12,00	12,00	12,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
ICT	102	Percentage of compliance reports placed on the website as per of MFMA section 75	**Numerator:** The following documents has been placed on the website: 1) 2022/23 Final Budget placed on 3 June 2022. Adjustment budget placed on 10 March 2023 2) 2022/23 Budget related policies placed on 3 June 2022 3) 2021/22 Annual report placed on 4 April 2023 4) 2022/23 Performance agreements placed on 17 August 2022 5) 2022/23 SDBIP placed on 28 July 2022 6) 2022/23 IDP placed on 14 June 2022 7) SCM Reports placed 3 August 2022 8) Section 52(d) Reports **Denominator:** 1) The annual and adjustments budgets and all budget-related documents; 2) all budget-related policies; 3) the annual report; 4) all performance agreements 5) all service delivery agreements; (6) all long-term borrowing contracts; (7) all supply chain management contracts above a prescribed value; (8) an information statement containing a list of assets over a prescribed value (9) all quarterly reports tabled in the council in terms of section 52(d) Calculations: 9/9*100 = 100%	N/A - YTD Target Achieved	12,00	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
ICT	103	Percentage of ICT related devises maintained	ICT devices are 100% maintained.	N/A - YTD Target Achieved	100%	100%	100%	3,00
Municipal Institutional Development and Transformation								
Institutional Capacity Development	104	Approved Workplace Skills Plan and Annual Training Report submitted to LG SETA on or before 30 April 2023	Approved Workplace Skills Plan and Annual Training Report submitted to LG SETA on 26 April 2023	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00
Institutional Capacity Development	105	Number of trained employees as per the WSP	10 employees were trained on WSP in 2022/23 financial year.	**A) Reason for not Achieving Target/Current Challenges:** The variant is as a result of certain planned activities being cancelled due to unavailability of service provider. **B) Corrective Action:** Appoint a panel of service providers by end of September 2023.	24,00	25,00	10,00	1,20
Institutional Capacity Development	106	Number of Workshops, seminars and	1) Provincial SWC workshop and multiparty women commission held 02 - 03 February 2023 2) Local Labour Forum training held 02 to 03 February	N/A - YTD Target Achieved	N/A – New KPI	6,00	6,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		conferences held to ensure that Councillors are informed and trained on Local Government trends.	2023 at Manzana Council Chamber 3) 5th Annual Local Government Performance Seminar held 16 to 17 February 2023 4) Mpumalanga Municipal Speaker's engagement held 24 March 2023 5) Accredited Multi Stream Municipal Governance Training Program held 27 to 31 March 2023 6) Financial Management Training for Councillors held 22 to 26 May 2023 at Banquette Hall (Middleburg)					
Institutional Capacity Development	107	Percentage of leave approved on time on the system.	Annua Leave approved on time: July 2022: 5% Total leave taken: 85 Leave approved on time: 4 August 2022: 9% Total leave taken: 104 Leave approved on time: 9 September 2022: 10% Total leave taken: 12 Leave approved on time: 119 October 2022: 17,6% Total leave taken: 125 Leave approved on time: 22 November 2023: 20,5% Total leave taken: 185 Leave approved on time: 38 December 2022: 35% Total leave taken: 120 Leave approved on time: 42	**A) Reason for not Achieving Target/Current Challenges:** Most of the time, Directors work out of office. **B) Corrective Action:** ESS software will be installed before end of September in all Directors cellphones to approve leave taken on time. The ICT Manager will also check every Monday and Fridays, leaves to be approved.	N/A – New KPI	100%	12%	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			January 2023: 19,3% Total leave taken: 161 Leave approved on time: 31 February 2023: 28,8%: Total leave taken: 66 Leave approved on time: 19 March 2023: 23,8% Total leave taken: 88 Leave approved on time: 21 April 2023: 34 Total leave taken: 86 Leave approved on time: 29 May 2023: 0% Total leave taken: 80 Leave approved on time: 0 June 2023: 0% Total leave taken: 260 Leave approved on time: 0				
Institutional Capacity Development	108	Number of monthly Occupational Health and Safety (OHS) reports submitted to the Office of	11 - OHS reports were submitted to MM's Office	**A) Reason for Overachieving Target:** There was a special safety issues that needed attention of OHS **B) Corrective Action:** None	4,00	10,00	11,00	3,30

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		the Municipal Manager						
Institutional Capacity Development	109	Number of quarterly health and safety inspections and awareness's conducted.	1) Health and Safety Inspection conducted during quarter 1 2) Health and Safety Inspection conducted during quarter 2 3) Health and Safety Inspection conducted during quarter 3 4) Health and Safety Inspection conducted during quarter 4	N/A - YTD Target Achieved	27,00	4,00	4,00	3,00
Institutional Capacity Development	110	Number of employee wellness programmes conducted.	The following employee wellness programs were conducted: 1) 10 August 2022 - held at Carolina Municipal Boardroom 2) 16 August 2022 - held at Empuluzi Municipal Boardroom 3) 17 August 2022 - held at Elukwatini Municipal Boardroom 4) 18 August 2022 - held at Ekulindeni Municipal Boardroom 5) 19 August 2022 - held at Emanzana Municipal Boardroom 6) 12 October 2022 - held at Manzana 7) 18 October 2022 - held at Manzana 8) 18 November 2022- held at Mpumalanga Tourism & Parks Board Agency (Mooiplaas Gate) 9) 20 February 2022 - held at Elukwatini Council Chamber 10) 23 February 2023 - held at Emanzana Council Chamber 11) 24 February 2023 - held at Ekulindeni Council Chamber 12) 27 February 2023 - held at Empuluzi Council Chamber 13) 28 February 2023 - held at Carolina Town Hall	**A) Reason for Overachieving Target:** There were information session that needed to be shared with employees in all our Unit Offices. **B) Corrective Action:** None	N/A – New KPI	4,00	13,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Building maintenance	112	Number of Municipal Buildings Maintained	**Numerator: 72** Municipal Building Maintained: **July 2022: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **August 2022: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **September 2022: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **October 2022: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **November 2022: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **December 2022: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **January 2023: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **February 2023: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)	N/A - YTD Target Achieved	N/A – New KPI	6,00	6,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			March 2023: 6 Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **April 2023: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **May 2023: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) **June 2023: 6** Carolina (1), Silobela (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) Total: Total: 6 + 6 + 6 + 6 + 6 + 6 + 6 + 6 + 6 + 6 + 6 + 6 = 72 **Denominator:** 12* * Refer to instruction column Calculations: 72/12 = 6				
Basic Service Delivery and Infrastructure Development								

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
HIV & AIDS	135	Number of HIV/AIDS awareness campaigns conducted by 30 June 2023	The following HIV/AIDS awareness campaigns were conducted: 1) 10 January 2023 - HIV/AIDS information session at Ekulindeni unit 2) 13 January 2023 - HIV/AIDS information session at Elukwatini unit 3) 17 January 2023 - HIV/AIDS information session at Emanzana unit 4) 20 January 2023 - HIV/AIDS information session at Empuluzi unit 5) 22 February 2023 - LAC meeting and outreach program 6) 20 April 2023 - PrEP Information Session (HIV/AIDS) 7) 02 May 2023 - PrEP Information Session (HIV/AIDS) 8) 08 June 2023 - LAC meeting and outreach program	**A) Reason for Overachieving Target:** It is due to the National Health Calendar. However, this did not affect the budget as we collaborated with other stakeholders. **B) Corrective Action:** None	1,00	2,00	8,00	5,00
Youth Development	136	Number of Youth Development programs implemented.	1) Grade 12 awards were held at Mayflower High School on the 03 of February 2023 2) Handover of laptop to learner at Holeka Secondary School on 08 June 2023	N/A - YTD Target Achieved	N/A – New KPI	2,00	2,00	3,00
Transversal programmes	137	# of awareness campaigns/capacity building programs implemented for the disabled	Programs for the disabled were not implemented by 30 June 2023	**A) Reason for not Achieving Target/Current Challenges:** No dedicated personnel to perform the duties. **B) Corrective Action:** Sports Clerk will be on appointed 1 August 2023 to act on the disability coordinator position.	N/A – New KPI	2,00	0,00	1,00
Good Governance and Public Participation								

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Public Participation	139	# of Mayoral Imbizo's held	1) Mayoral Imbizo was held 02 March 2023 at Silobela Stadium, Carolina 2) Mayoral Imbizo was held 23 June 2023 at Steynesdorp (ward 19)	N/A - YTD Target Achieved	N/A – New KPI	2,00	2,00	3,00
Municipal Institutional Development and Transformation								
Institutional Capacity Development	140	Review and approval of CALM organisational structure (Annual)	2023/24 organogram approved.	N/A - YTD Target Achieved	N/A – New KPI	1,00	1,00	3,00
Institutional Capacity Development	141	Submission of Employment Equity Report to the Department of Labour	Confirmation of submission dated 13 January 2023	N/A - YTD Target Achieved	N/A – New KPI	1,00	1,00	3,00

Financial Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Municipal Financial Viability and Management								
Supply Chain Management	50	All departmental procurement plans approved by 30 June 2023	All departmental procurement plans approved in Council meeting held 23 May 2023	N/A - Target achieved	1,00	1,00	1,00	3,00
Supply Chain Management	51	Updated contract registers submitted quarterly to MMs office	1) Contract register for the period ending September 2022 submitted to MMs office October 2022 2) Contract register for the period ending December 2022 submitted to MMs office January 2023 3) Contract register for the period ending March 2023 submitted to MMs office April 2023 4) Contract register for the period ending June 2023 submitted to MMs office June 2023	N/A - Target achieved	4,00	4,00	4,00	3,00
Supply Chain Management	142	Quarterly Evaluations of Suppliers Performance	Evaluations of Suppliers Performance for third quarter done	N/A - Target achieved	N/A – New KPI	2,00	2,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Supply Chain Management	52	% of bids awarded within 90 days reported to council	1) Bids awarded within 90 days for the period ending 30 September 2022 has been reported to council 2) Bids awarded within 90 days for the period ending 31 December 2022 has been reported to council 3) Bids awarded within 90 days for the period ending 31 March 2023 has been reported to council 4) Bids awarded within 90 days for the period ending 30 June 2023 has been reported to council	N/A - Target achieved.	93%	100,00%	100,00%	3,00
Revenue Management	54	Complete and reliable supplementary valuation rolls approved	Supplementary valuation rolls approved.	N/A - Target achieved.	1,00	1,00	1,00	3,00
Revenue Management	55	Percentage increase in billing accuracy	Complains received has been reduced by more than 86%	N/A - Target achieved.	80%	85,00%	86,00%	3,04
Revenue Management	56	Percentage reduction of debtors in the debtors age analysis (eManzana, Silobela and Carolina)	Reduction of debtors in the debtors age analysis has been reduced by 50%	**A) Reason for not Achieving Target/Current Challenges:** Collection of outstanding debts on individual accounts confronted by challenges such as unemployed individuals, deceased & incorrect information **B) Corrective Action:** Continued data cleansing exercise & physical verification of account holders on property rates before end of June 2024.	N/A – New KPI	70,00%	64,00%	2,74

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Revenue Management	57	Revenue collected from investment properties	R578,008.68 revenue collected from investment properties for the period ending 30 June 2023	N/A - Target achieved.	67 403,96	55 568,00	578 008,68	5,00
Financial management	63	Number of reconciliations prepared	1) Quarter 1: 24 reconciliations prepared 2) Quarter 2: 24 reconciliations prepared 3) Quarter 3: 24 reconciliations prepared 4) Quarter 4: 24 reconciliations prepared	N/A - Target achieved.	96,00	96,00	96,00	3,00
Financial management	64	Improved current ratio to be within accepted industry norm	Current ratio is at 2 within the accepted industry norm.	N/A - Target achieved.	01:01,4	2,00	2,00	3,00
Expenditure	65	Percentage of unauthorised expenditure reduced.	Unauthorised expenditure reduced by 100%	N/A - Target achieved.	100%	95%	100%	3,16
Expenditure	66	Percentage of irregular expenditure incurred during the financial year reduced	Irregular expenditure has been reduced by 68%	N/A - Target achieved.	52%	50%	68%	4,12
Expenditure	67	Percentage of fruitless and wasteful	Fruitless and wasteful expenditure has been reduced by more than 53%	**A) Reason for not Achieving Target/Current Challenges:** Some of the Small Power Utility	14%	95%	93%	2,93

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
		expenditure reduced		(SPU) accounts were sent to wrong destination. **B) Corrective Action:** Our SPU accounts were set in an auto pay system during quarter 3 of 2022/2 F/Y to avoid penalties from Eskom				
Asset Management	68	Number of quarterly physical asset verification conducted of movable assets	Asset verifications were conducted for the following quarter: 1) Quarter 1 2) Quarter 2 3) Quarter 3 4) Quarter 4	N/A - Target achieved.	4,00	4,00	4,00	3,00
Asset Management	69	Number of re-assessment of useful lives, residual values and impairment test conducted	Re-assessment of useful lives, residual values and impairment test were conducted.	N/A - Target achieved.	1,00	1,00	1,00	3,00
Debt Management	70	Reduction in average collection period	Reduction in average collection is at 600.	**A) Reason for not Achieving Target/Current Challenges:** The Municipality is still struggling to collect enough **B) Corrective Action:** Reviewed credit control and debt recovery policies to be enforced from 1 July 2023.	680,00	300,00	600,00	2,00
Creditors Management	71	Reduction in average payment period	Average payment is less than 20 days	N/A - Target achieved.	30,00	30,00	20,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score

Office of the Municipal Manager – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Good Governance and Public Participation								
Performance Management	114	2023/24 f/y SDBIP approved by Executive Mayor within 28 days after approval of budget.	2023/24 SDBIP approved 28 days after approval of budget. Date of approval: Budget: 23 May 2023 SDBIP: 19 June 2023 In line with the KPI Technical Definition a score equal to target 1 was allocated.	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00
Performance Management	115	PMS Frameworks adopted by Council by 30 June	The PMS Framework adopted by Council on meeting held 30 June 2023.	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00
Performance Management	116	Percentage of senior management performance agreements signed by 31 July	**Numerator:** **6*** * - The following Performance Agreements have been entered into: 1) MM - E Thabethe 2) CFO - MGT Mnisi 3) CS - SS Sibeko 4) CSS - SI Malaza 5) TS - MP Magubane 6) PED - LT Motloung **Denominator:** **6*** * - The following 6 Director's positions were filled as at the end of July 2022:	N/A - Target Achieved	100,00%	100,00%	100,00%	

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			1) MM - E Thabethe 2) CFO - MGT Mnisi 3) CS - SS Sibeko 4) CSS - SI Malaza 5) TS - MP Magubane 6) PED - LT Motloung Calculation: 6/6 = 100%					
Performance Management	117	Submission performance agreements of section 54A and section 56 managers to MEC with 14 days	The senior management performance agreements were submitted to relevant stakeholders.	N/A - YTD Target Achieved	100%	100,00%	100,00%	3,00
Performance Management	118	Annual performance reviews conducted with section 54A and section 56 managers by 30 June 2023	2021/22 Annual performance reviews for section 54A and section 56 managers were conducted on 21 June 2023	N/A - YTD Target Achieved	100%	1,00	1,00	3,00
Performance Management	119	mid-year institutional performance evaluations conducted by 30 June 2023	Mid-year institutional performance evaluations were conducted.	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00
Performance Management	121	Submission of Annual Report to Council before end of January	2021/22 Annual Report submitted to the Council meeting held 25 January 2023, reference item C012/01/23R	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Performance Management	143	Adopted Oversight report on the Annual Report by 31 March 2023	2021/22 Oversight Report adopted by Council on meeting held 30 March 2023, reference item C08/03/23/R	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00
Performance Management	144	Annual Performance Report submitted to AG (with AFS) on / before 31st August (annual)	The KPI was wrongly placed in the 2022/23 revised SDBIP. KPI zero weighted as the 2022/23 Annual Performance Report will be submitted to AG on or before 31 August 2023. The KPI is transferred to 2023/24 SDBIP approved by the Executive Mayor on 19 June 2023.	The KPI was wrongly placed in the 2022/23 revised SDBIP. KPI zero weighted as the 2022/23 Annual Performance Report will be submitted to AG on or before 31 August 2023. The KPI is transferred to 2023/24 SDBIP approved by the Executive Mayor on 19 June 2023.	1,00	1 - Target relevant to Quarter 4	0w	
Risk Management	123	Number of risk assessment workshops conducted.	2 risk assessment workshops were conducted.	N/A - YTD Target Achieved	2,00	2,00	2,00	3,00
Risk Management	124	Number of quarterly strategic, Operational and ICT risk registers approved and monitored by Risk Committee	1) Quarter 4 - Strategic, Operational and ICT risk registers approved and monitored by Risk Committee approved by Risk Committee 2) Quarter 1 - Strategic, Operational and ICT risk registers approved and monitored by Risk Committee approved by Risk Committee 3) Quarter 2 - Strategic, Operational and ICT risk registers approved and monitored by Risk Committee approved by Risk Committee 4) Quarter 3 - Strategic, Operational and ICT risk registers approved and monitored by Risk Committee approved by Risk Committee	N/A - YTD Target Achieved	4,00	4,00	4,00	3,00
Internal Audit	125	Number of Internal Audit plans approved by June 2023	The Internal Audit plan was approved by Audit committee on the meeting held 27 June 2023	N/A - YTD Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Internal Audit	126	Percentage of implemented IA plan by 30 June 2023	**Numerator:** 11* * The following Audits were completed: 1) Consulting Review of strategies and Process of Legalizing dumping and transfer stations into Landfill (July'22) 2) Audit of Draft Annual Performance Report (August'22) 3) Audit of Annual Financial Statements (August'22) 4) Audit of Compliance with Popi Act (September'22) 5) Audit of Performance Measurement 1st Quarter (October'22) 6) Audit Maintenance For water and Sanitation (December'22) 7) Audit of Information Communication Technology (January'23) 8) Follow-up Audit of Income and Revenue management (March'23) 9) Follow-up on Audit by Internal audit and Auditor General (March'23) 10) Audit of Interim Financial Statements (March'23) 11) Audit of Supply Chain Management (April'2023) **Denominator:** 13* * Audit Areas to be completed: 1) Audit of Draft Annual Performance Report	**A) Reason for Overachieving Target:** The Internal Audit Unit had savings in terms of hours allocation to the Audits therefore we were able to complete the follow-up Audit by Internal Audit and AG before the allocated time and that gave us hours to start another audit **B) Corrective Action:** None	100%	80%	85%	3,17

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			(August'22) 2) Audit of Annual Financial Statements (August'22) 3) Audit of Compliance with Popi Act (September'22) 4) Audit of Performance Measurement 1st Quarter (October'22) 5) Audit of Maintenance For water and Sanitation (December'22) 6) Audit of Information Communication Technology (January'23) 7) Audit of Performance Measurements 2nd Quarter (February'23) 8) Follow-up Audit of Income and Revenue management (February'23) 9) Audit of Interim Financial Statements (March'23) 10) Follow-u on Audit by Internal audit and Auditor General (April'23) 11) Audit of Supply Chain Management System (April'23) 12) Follow-up on Project Management (May'23) 13) Audit of compliance with DoRA (June'23) Calculations: 11/13*100 = 84,6%				
Monitoring and Evaluation	145	Submit Monitoring and Evaluation Plan to the Accounting Officer by June 2023	Monitoring and Evaluation Plan submitted to the Accounting Officer on 30 June 2023	N/A - YTD Target Achieved	N/A – New KPI	1,00	1,00	3,00

All Departments – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Municipal Financial Viability and Management								
Financial Management	53	Number of additional allocation and grants sourced.	KPI and Target Zero Weighted as no new grants have been allocated from the National Treasury	N/A - KPI and Target Zero Weighted as no new grants have been allocated from the National Treasury	3,00	1,00	0w	
Expenditure	60	Percentage of operational expenditure spent.	**Numerator:** R715,495,182 - Actual YTD Operating Expenditure (CALM) **Denominator:** R793,187,097 - Total Operational Budget (CALM) **Calculation:** R715,495,182/R793,187,097 = 90,2%	**A) Reason for not Achieving Target/Current Challenges:** Cost containment measurements applied **B) Corrective Action:** None. Percentage of cost reduced on Operational Budget Indicator was included in the 2023/24 SDBIP to measure savings on each department.	90%	100%	90%	2,71
Expenditure	61	Percentage of capital expenditure spent	**Numerator:** R337,593,000 - Actual YTD Capital Expenditure (CALM) **Denominator:** R337,593,000 - Total Capital Budget (CALM) **Calculation:** R337,593,000 /R337,593,000 = 100%	N/A - Target Achieved	90%	100%	100%	3,00
Financial Management	76	Number of unqualified audit opinion received.	CALM received a qualified audit report.	**A) Reason for not Achieving Target/Current Challenges:** The Municipality regressed in the 2021/2022 audit opinion to a qualified	1,00	1,00	0,00	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
				state due to errors in relation to billing where the Municipality appeared on the debtors age analysis which gave rise to a higher figure of outstanding debtors. **B) Corrective Action:** An Audit Action Plan has been developed and it includes key deadlines for implementation of corrective actions to ensure that identified findings as included in the Audit Report and Management Letter are addressed.				
Good Governance and Public Administration								
Governance and Administration	77	Number of Policies reviewed.	47 Policies were reviewed as at 31 May 2023	N/A - Target Achieved	51,00	39,00	47,00	3,62
Governance and Administration	79	Number of by-laws reviewed.	KPI and Target Zero Weighted as the were no new by-laws to be reviewed.	KPI and Target Zero Weighted as the were no new by-laws to be reviewed.	0,00	1,00	0w	
Governance and Administration	80	Number of By-laws developed.	KPI and Target Zero Weighted as the were no new by-laws to be developed.	KPI and Target Zero Weighted as the were no new by-laws to be developed.	N/A – New KPI	1,00	0w	

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
Governance and Administration	81	Number of departmental service charters reviewed.	Reviewed departmental service charter approved by Council on 30 June 2023	N/A - Target Achieved	1,00	1,00	1,00	3,00
Governance and Administration	83	Number of Meetings held with Section 79 Committees	The following meetings were held with Section 79 Committees during the period July 2022 to June 2023: **Quarter 1:** 1) 21 September 2022 - TS S79 Oversight **Quarter 2:** 2) 06 October 2022 - PED S79 Oversight 3) 11 October 2022 - CS S79 Oversight 4) 13 October 2022 - CSS S79 Oversight 5) 18 October 2022 - MPAC meeting 6) 19 October 2022 - Finance S79 Oversight **Quarter 3:** 7) 12 January 2023 - PED S79 Oversight 8) 17 January 2023 - Finance S79 Oversight 9) 18 January 2023 - CS S79 Oversight 10) 18 January 2023 - CSS S79 Oversight 11) 19 January 2023 - MPAC Oversight 12) 20 January 2023 - CSS S79 Oversight 13) 23 January 2023 - TS S79 Oversight 14) 24 January 2023 - TS S79 Oversight 15) 10 February 2023 - Geographical, naming, Rules and Petition S79 meeting 16) 10 February 2023 - TS S79 Oversight 17) 14 February 2023 - MPAC Oversight 18) 21 February 2023 - MPAC Public Hearings at Tjakastad 19) 22 February 2023 - MPAC Public Hearings at Carolina	N/A - Target Achieved	N/A – New KPI	32,00	32,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2022/2023 Financial Year			
					Baseline 21/22	Annual Target 22/23	Annual Actual 22/23	Score
			20) 28 February 2023 - MPAC Public Hearings at Elukwatini 21) 01 March 2023 - MPAC Public Hearings at Empuluzi 22) 07 March 2023 - MPAC Public Hearings at Fernie 23) 08 March 2023 - MPAC Public Hearings at Ekulindeni 24) 15 March 2023 - PED S79 Oversight 25) 29 March 2023 - CS S79 Oversight 26) 30 March 2023 - Geographical, naming, Rules and Petition S79 meeting **Quarter 4** 27) 22 April 2023 28) 24 April 2023 29) 17 May 2023 30) 20 June 2023 - TS 79 Oversight 31) 22 June 2023 - PED 79 Oversight 32) 28 June 2023 - Section 79 Oversight Committee (Rules and Ethics)				

Addendum C: Definitions

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

Scorecards refer to a multi-dimensional framework created by Dr. Robert Kaplan and Dr. David Norton that uses measurement to describe an organisation's strategy. It is based on the Balanced Scorecard methodology as currently applied to suit the South African environment as described by the Institute for Performance Management **TRIPOD©** Methodology for Municipalities. This ensures alignment with community needs, legislation, IDP, SDBIP and Budgetary requirements for South African municipalities.

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

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

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

Objective is an aim or intended result of a strategy.

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

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

Addendum D: Scoring Method

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

Colour code	Scoring	% target achieved KPIs		% target achieved PRJs	
Rating	Score	Low	High	Low	High
Unsatisfactory	1-1.99	0.0%	39.9%	0.0%	25.0%
Below average	2 -2.99	40.0%	79.9%	25.0%	50.0%
Within target	3 -3.99	80.0%	99.9%	50.0%	75.0%
Achieved/ exceeded target	4 -4.99	100.0%	166.9%	75.0%	167%
Outstanding	5+	167.0%	+	167.0%	+

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

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

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

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

Chapter 4

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

INTRODUCTION

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

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

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year - 2021/2022	Year 2022/2023			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Electricity	8	5	8	2	25,00%
Waste Water (Sanitation)	139	86	141	7	4,96%
Housing	3	3	3	0	0,00%
Roads	20	15	25	0	0,00%
Transport	10	10	10	3	30,00%
Planning	5	6	6	1	16,67%
Local Economic Development	5	5	5	0	0,00%
Community & Social Services	87	38	90	2	2,22%
Environmental Protection	10	6	10	1	10,00%
Health	1	1	1	0	0,00%
Security and Safety	1	1	1	0	0,00%
Sport and Recreation	1	1	1	0	0,00%
Corporate Policy Offices and Other	60	50	65	15	23,08%
Totals	**350**	**227**	**366**	**31**	8,47%

T 4.1.1

Vacancy Rate: Year 2022/2023			
Designations	***Total Approved Posts** **No.**	***Vacancies (Total time that vacancies exist using fulltime equivalents)** **No.**	***Vacancies (as a proportion of total posts in each category)** **%**
Municipal Manager	1	0	0,00
CFO	1	1	100,00
Other S57 Managers (excluding Finance Posts)	5	5	100,00
Other S57 Managers (Finance posts)	0	0	0,00
Police officers	0	0	0,00
Fire fighters	9	1	11,11
Senior management: Levels 13-15 (excluding Finance Posts)	23	7	30,43
Senior management: Levels 13-15 (Finance posts)	6	0	0,00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	50	8	16,00
Highly skilled supervision: levels 9-12 (Finance posts)	12	2	16,67
Total	**107**	**24**	22,43
			T 4.1.2

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%
2022/23	31	27	87%
			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER

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

T 4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

T 4.2.0

4.2 POLICIES

HR Policies and Plans				
No	**Name of Policy**	**Completed**	**Reviewed**	**Date Adopted by Council or Comment on Failure to Adopt**
		%	**%**	
1.	Sexual Harassment Policy	100%	100%	31 May 2022
2.	Smoking Policy	100%	100%	31 May 2022
3.	Relocation Policy	100%	100%	31 May 2022
4.	Succession planning policy	100%	100%	31 May 2022
5.	Incapacity due to ill – health policy	100%	100%	31 May 2022
6.	Training and Development policy	100%	100%	31 May 2022
7.	Employee wellness programme	100%	100%	31 May 2022
8.	Employment equity	100%	100%	31 May 2022
9.	Attendance and punctuality policy	100%	100%	31 May 2022
10.	Employment Practice policy	100%	100%	31 May 2022
11.	HIV and AIDS policy	100%	100%	31 May 2022
12.	Incapacity due to poor work performance policy	100%	100%	31 May 2022
13.	Employees under the influence of intoxicating liquor policy	100%	100%	31 May 2022
14.	Occupational health and safety policy	100%	100%	31 May 2022
15.	Legal Aid policy	100%	100%	31 May 2022
16.	Name badge policy	100%	100%	31 May 2022
17.	Dress code policy	100%	100%	31 May 2022
18.	Exchange programme policy	100%	100%	31 May 2022
19.	Zero-harm policy	100%	100%	31 May 2022
20.	Human resource Strategy	100%	100%	31 May 2022
				T.4.2.1

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 2021/2022 financial year.

T 4.2.1.1

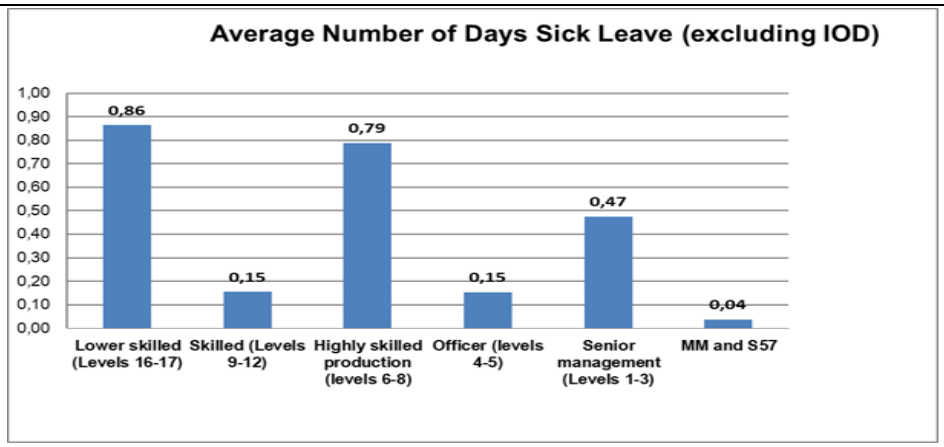
4.3 INJURIES, SICKNESS AND SUSPENSIONS

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	28	2	7%	14	R23 726,08
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	28	2	7%	6	0

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	***Average sick leave per Employees**	**Estimated cost**
	Days	**%**	**No.**	**No.**	**Days**	**R' 000**
Lower skilled (Levels 16-17)	386	90%	68	145	0,86	202 016,96
Skilled (Levels 9-12)	69	0	9	94	0,15	124 281,42
Highly skilled production (levels 6-8)	352	0	75	113	0,79	532 956,16
Officer (levels 4-5)	68	95%	28	61	0,15	122 480,24
Senior management (Levels 1-3)	212	0	34	28	0,47	581 253,12
MM and S57	16	0	0	6	0,04	R8 380,80
Total	**1103**	**93%**	**214**	**447**	2,47	**R8 380,80**

T 4.3.2



T *4.3.3*

COMMENT ON INJURY AND SICK LEAVE

Injuries on Duty for the year under review were closely monitored and reported very low. The reason to keep injuries very low it was due to safety awareness campaigns through memo's, inductions and workshops conducted for CALM employees.

T 4.3.4

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
Disaster Coordinator	Malicious to Municipal property, unprotected strike	28-Mar-23	DC charges served	Not finalised
cashier	Malicious to Municipal property, Unprotected strike	28-Mar-23	DC Panel appointed	Not Finalised
General worker	Misused of municipal vehicle, Malicious to Municipal property, unprotected strike	28-Mar-23	DC Panel appointed	Not Finalised
Cleaner	Malicious to Municipal property, Unprotected strike	28-Mar-23	DC Panel appointed	Not Finalised
Grader Operator	Malicious to Municipal property, Unprotected strike	28-Mar-23	DC Panel appointed	Not Finalised
				T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
Manager	DE relaxation of duties	DC processes	Pending
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

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

T 4.3.7

4.4 PERFORMANCE REWARDS

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

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

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

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



T 4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2022/23	Number of skilled employees required and actual as at 30 June Year 2022/2023											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual End of 2022/23	Actual End of 2021/22	2021/22 Target	Actual End of 2022/23	Actual End of 2021/22	2021/22 Target	Actual End of 2022/23	Actual End of 2021/22	2021/22 Target	Actual End of 2022/23	Actual End of 2021/22	2021/22 Target
MM and s57	Female	1	0	0	0	0	0	0	0	0	0	1	0	0
	Male	5	0	0	0	0	1	0	0	1	0	3	2	0
Councillors, senior officials and managers	Female	23	0	0	0	3	0	0	3	3	0	12	3	0
	Male	26	0	0	0	2	1	0	2	4	0	12	5	0
Technicians and associate professionals*	Female	10	2	0	0	0	0	0	2	2	0	8	2	0
	Male	25	7	0	0	0	3	3	1	8	0	25	11	3
Professionals	Female	28	4	0	0	0	0	2	13	6	0	27	6	2
	Male	38	1	0	0	0	0	3	8	2	0	13	0	3
Sub total	Female	62	6	0	0	3	0	2	18	11	0	29	11	13
	Male	94	8	0	0	2	5	6	12	15	0	40	20	6
Total		156	28	0	0	10	10	16	59	52	0	170	60	27

T 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	0	0
Chief financial officer	1	0	1	1	0	0
Senior managers	4	0	4	4	0	0
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	1	0	1	1
TOTAL	**7**	**0**	**7**	**6**	**1**	**1**

* *T 4.5.2*

Skills Development Expenditure R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2021/22							
			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	
	Male	0	0	0	0	0	0	0	0	
Legislators, senior officials and managers	Female	0	0	0	0	0	0	20 000	0	20 000
	Male	0	0	0	0	0	0	30 000	0	30 000
Professionals	Female	0	0	0	0	0	0	10 000	0	10 000
	Male	0	0	0	0	0	0	40 000	0	40 000
Technicians and associate professionals	Female	0	0	0	0	0	0	10 000	0	10 000
	Male	0	0	0	0	0	0	10 000	0	10 000
Clerks	Female	0	0	0	0	0	0	50 000	0	50 000
	Male	0	0	0	0	0	0	30 000	0	30 000
Service and sales workers	Female	0	0	0	0	0	0	30 000	0	30 000
	Male	0	0	0	0	0	0	10 000	0	10 000
Plant and machine operators and assemblers	Female	0	0	0	0	5 200	0	10 000	0	15 200
	Male	0	0	0	0	46 800	0	52 000	0	98 800
Elementary occupations	Female	0	0	0	0	0	0	20 000	0	20 000
	Male	0	0	0	0	0	0	0	0	
Sub total	Female	0	0	0	0	0	0	120000		120000
	Male	0	0	0	0	0	0	120000		120000
Total		0	0	0	0	0	0	240000		240000
									%*	*R
T4.5.3										

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

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

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

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

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

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

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

T 4.6.2

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

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

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Officials and councillors declared their financial interests for the 2022/23 financial year to foster a culture of integrity and accountability and to prioritize the needs of communities. As per the code of conduct for officials and councillors (in terms of the MSA 2000), declarations are made annually. Refer to disclosures made by officials and councillors concerning their financial interests as required by MSA 2000 Schedule 1 and 2 as set out in Appendix J.

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary

Description	2022/23										
R thousands	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	1	2	3	4	5	6	7	8	9	10	11
Financial Performance											
Property rates	116 197	2 251	118 448	–	–	118 448	63 127		0	53,30	54,33
Service charges	128 585	–	128 585	–	–	128 585	60 992		0	47,43	47,43
Investment revenue	2 386	–	2 386	–		2 386	9 546		0	400,02	400,02
Transfers recognised - operational		–	–	–		–			0	0,00	0,00
Other own revenue	932	–	932	–		932	4 449		0	477,16	477,16
Total Revenue (excluding capital transfers and contributions)											
Employee costs	190 165	41 835	232 000	–	–	232 000	234 000	–		100,86	123,05
Remuneration of councillors	30 535	(5 535)	25 000	–	–	25 000	21 752	–		87,01	71,24
Debt impairment	54 921	–	54 921	–		54 921	13 368	–		24,34	24,34
Depreciation & asset impairment	38 058	–	38 058	–		38 058	55 907	–		146,90	146,90
Finance charges	1 794	–	1 794	–	–	1 794	11 266	–		627,84	627,84
Materials and bulk purchases	101 898	–	101 898	–	–	101 898	98 790	–		96,95	96,95
Transfers and grants	404 367	–	404 367	–	–	404 367	404 367	–		100,00	100,00
Other expenditure	268 388	–	268 388	–	–	268 388	265 373	–		98,88	98,88
Total Expenditure											
Surplus/(Deficit)											
Transfers recognised - capital	337 596	–	337 596			337 596	337 596			100,00	100,00
Contributions recognised - capital & contributed assets	–		–			–					
Surplus/(Deficit) after capital transfers & contributions											
Share of surplus/ (deficit) of associate	–		–			–					
Surplus/(Deficit) for the year											
Capital expenditure & funds sources											
Capital expenditure											
Transfers recognised - capital	355 393	–	355 393	–		355 393	355 393			100,00	100,00
Public contributions & donations	–	–	–	–		–					
Borrowing	–	–	–	–		–					
Internally generated funds	–	–	–	–		–					
Total sources of capital funds											
Cash flows											
Net cash from (used) operating	290 716	–	290 716	–		290 716	290 716			100,00	100,00
Net cash from (used) investing	309 415	–	309 415	–		309 415	309 415			100,00	100,00
Net cash from (used) financing	3 468	–	3 468	–		3 468	3 468			100,00	100,00
Cash/cash equivalents at the year end	4 083	–	4 083	–		4 083	4 083			100,00	100,00

T 5.1.1

Financial Performance of Operational Services R '000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	99 873	105 266	105 266	71 451	-47,33%	100,00%
Waste Water (Sanitation)	56 595	59 651	59 651	40 656	-46,72%	100,00%
Electricity	49 937	52 633	52 633	35 873	-46,72%	100,00%
Waste Management	26 612	28 050	28 050	31 593	11,22%	100,00%
Housing	2 782	2 932	2 932	1 751	-67,43%	100,00%
Component A: sub-total	235 799	248 532	248 532	181 323	-37,07%	100,00%
Waste Water (Stormwater Drainage)	43 278	45 615	45 615	31 090	-46,72%	100,00%
Roads	83 228	87 722	87 722	59 798	-46,70%	100,00%
Transport	22 177	23 375	23 375	26 327	11,22%	100,00%
Component B: sub-total	148 683	8 455	8 624	9 554	11,50%	9,73%
Planning	8 346	8 797	8 797	5 254	-67,43%	100,00%
Local Economic Development	5 564	5 865	5 865	3 503	-67,43%	100,00%
Component B: sub-total	13 910	14 662	14 662	8 757	-67,43%	100,00%
Planning (Strategic & Regulatory)	11 128	11 729	11 729	7 005	-67,43%	100,00%
Local Economic Development	–	–	–	2 402	100,00%	100,00%
Component C: sub-total	11 128	11 729	11 729	9 407	-24,69%	100,00%
Community & Social Services	17 742	18 700	18 700	15 796	-18,38%	100,00%
Environmental Protection	13 306	14 025	14 025	21 062	33,41%	100,00%
Health	–	–	–	4 971	100,00%	100,00%
Security and Safety	27 256	28 728	–	31 618	9,14%	100,00%
Sport and Recreation	8 871	9 350	–	4 971	-88,10%	100,00%
Corporate Policy Offices and Other	–	–	–	10 531	100,00%	100,00%
Component D: sub-total	67 175	70 802	–	88 949	20,40%	100,00%
Total Expenditure	**476 696**	**354 181**	**8 624**	**297 990**	-18,86%	97,11%
						T 5.1.2

5.2 GRANTS

Grant Performance R' 000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	784 702	748 245	748 245	748 245		
Equitable share	349 235	388 235	388 235	388 235	0,00%	
Municipal Systems Improvement	–					
Department of Water Affairs	312 000	237 887	237 887	237 887	0,00%	
Levy replacement						
Other transfers/grants [insert description]	123 467	122 123	122 123	122 123	0,00%	
Provincial Government:	**10 000**	**–**	**–**	**–**		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants [insert description]	10 000		–			
District Municipality:	**–**	**–**	**–**	**–**		
[insert description]						
Other grant providers:	**–**	**–**	**–**	**–**		
[insert description]						
Total Operating Transfers and Grants	**794 702**	**748 245**	**–**	**748 245**		

T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS

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

T 5.2.2

Grants Received from Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant 2021/22**	**Actual Grant 2022/23**	**2022/23 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
A - "Project 1"	0	0	0			
A - "Project 2"	0	0	0			
B - "Project 1"	0	0	0			
B - "Project 2"	0	0	0			
Foreign Governments/Development Aid Agencies						
A - "Project 1"	0	0	0			
A - "Project 2"	0	0	0			
B - "Project 1"	0	0	0			
B - "Project 2"	0	0	0			
Private Sector / Organisations						
A - "Project 1"	0	0	0			
A - "Project 2"	0	0	0			
B - "Project 1"	0	0	0			
B - "Project 2"	0	0	0			
Provide a comprehensive response to this schedule						*T 5.2.3*

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

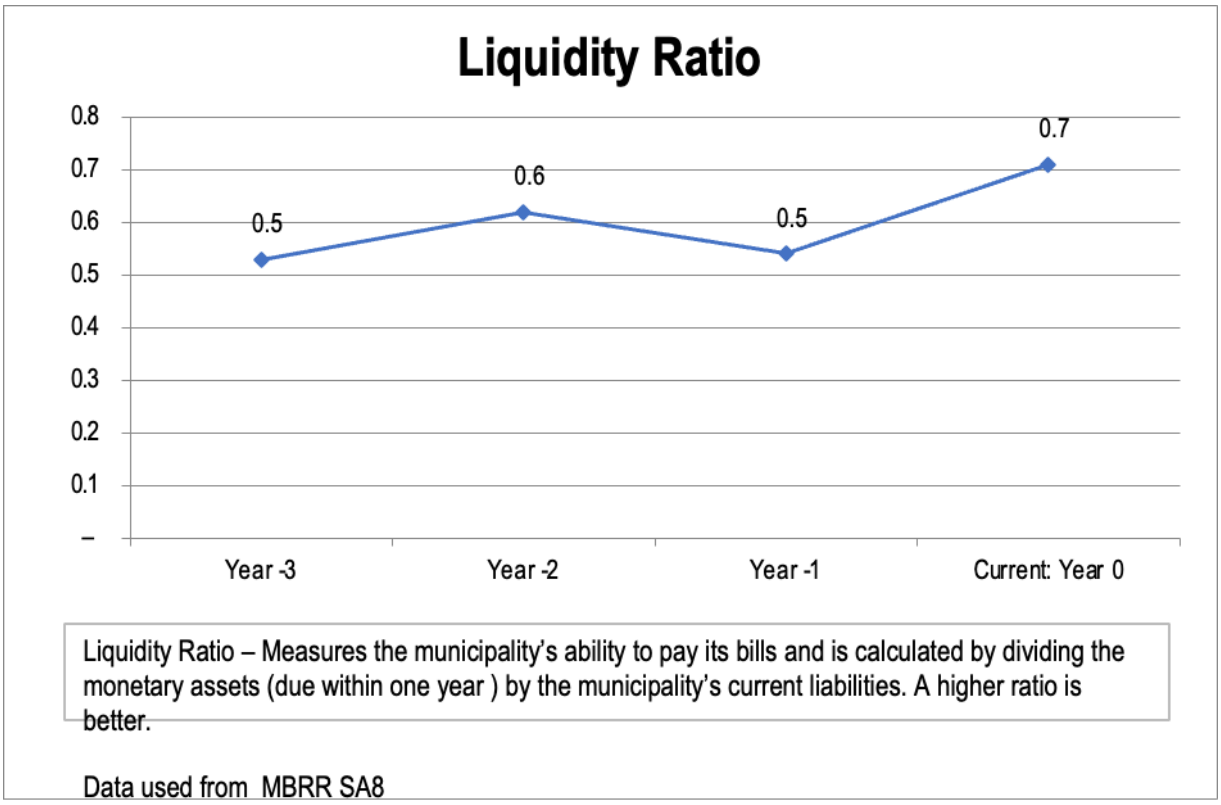
The Asset Management Section consists of the Accountant: Assets and Clerks: Assets, and forms part of the Supply Chain Management Unit within the Finance Department. The Municipality has and maintains a management, accounting, and information system that accounts for the assets of the Municipality. The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

T 5.3.1

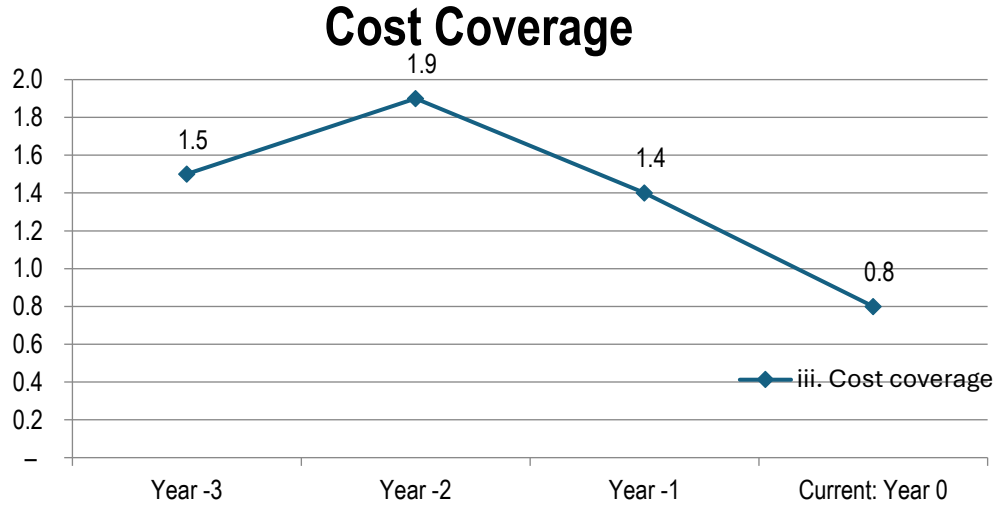
Treatment of the three largest assets acquired 2022/23				
Asset 1				
Name	Reservoir			
Description	Reservoir			
Asset type	Water and purification			
Key staff involved	Madinane CN, Mngomezulu JP & Mkhonto NC			
Staff responsibilities	Asset management			
	2019/20	2020/21	2021/22	2022/23
Asset value	-	7 781 364,35	7 621 712,97	7 302 410,22
Capital implications	Upgrading of Lusushwane bwss phase 2 & 3			
Future purpose of asset	Water distribution			
Describe key issues	Upgrading of water reservoir for distribution of water			
Policies in place to manage asset	Asset management policy			
Asset 2				
Name	Elukwatini fire station			
Description	Fire station			
Asset type	Building community			
Key staff involved	Madinane CN, Mngomezulu JP & Mkhonto NC			
Staff responsibilities	Asset management			
	2019/20	2020/21	2021/22	2022/23
Asset value	-	28 355 537,56	27 993 518,92	26 859 297,41
Capital implications	Building for fire and disaster management			
Future purpose of asset	Fire and disaster management			
Describe key issues	Fire station built for fire and disaster management			
Policies in place to manage asset	Asset management policy			
Asset 3				
Name	Transformer			
Description	Power transformer			
Asset type	Electrical distribution			
Key staff involved	Madinane CN, Mngomezulu JP & Mkhonto NC			
Staff responsibilities	Asset management			
	2019/20	2020/21	2021/22	2022/23
Asset value	-	6 378 299,57	6 377 134,58	6 093 654,60
Capital implications	Upgrading of Silobela substation			
Future purpose of asset	To distribute electricity at Silobela			
Describe key issues	Upgrading of Silobela substation for power distribution			
Policies in place to manage asset	Asset management policy			
				T 5.3.2

Repair and Maintenance 2022/23 R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	35384	40384	51238	-45%
				T 5.3.4

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

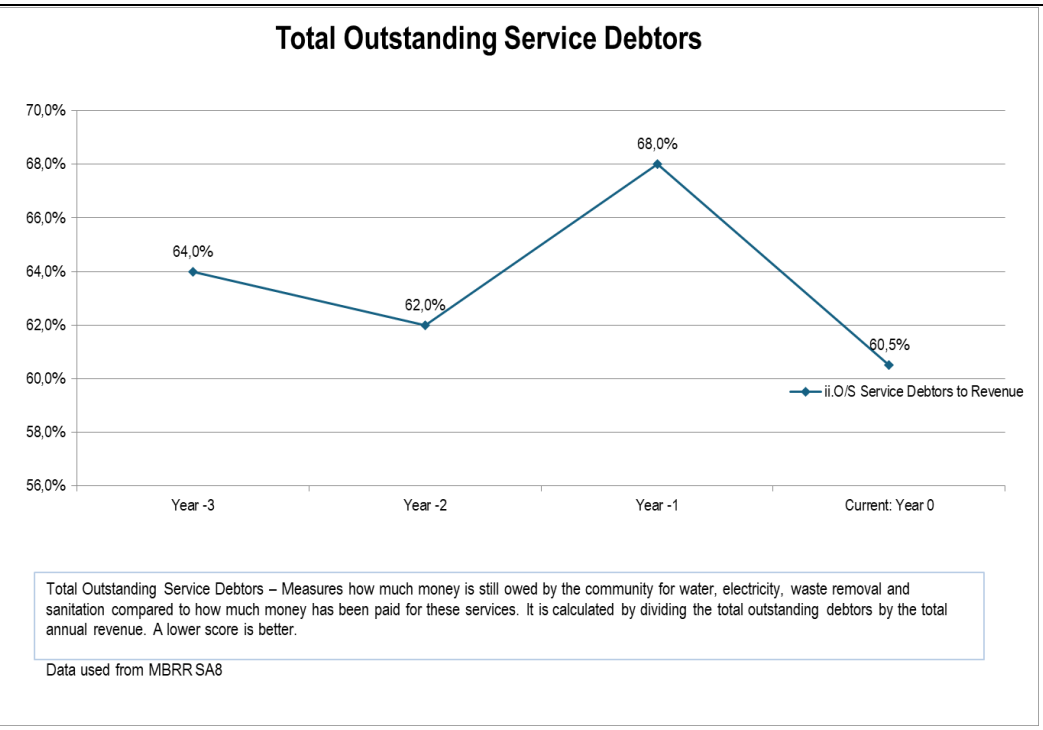


T 5.4.1



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

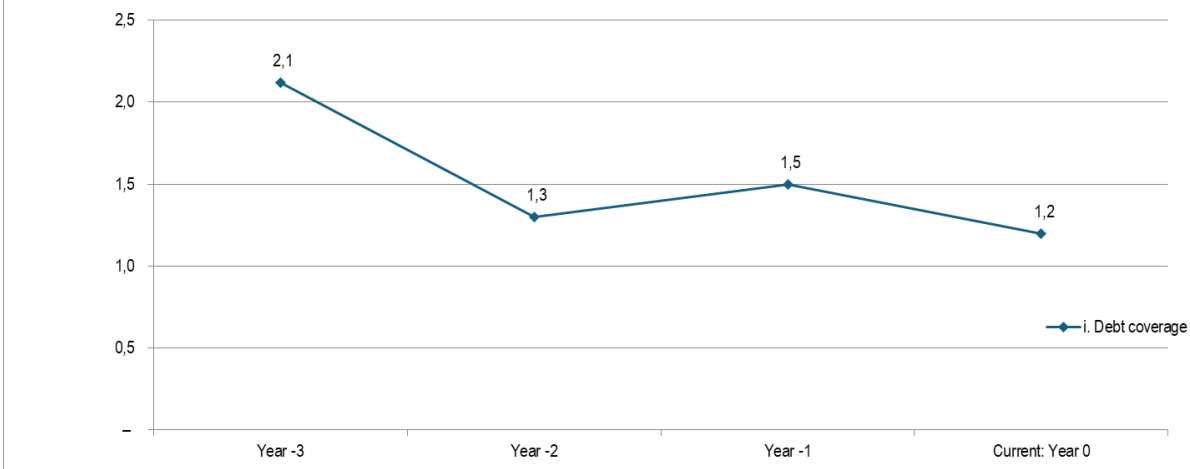
T 5.4.2



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.

Data used from MBRR SA8

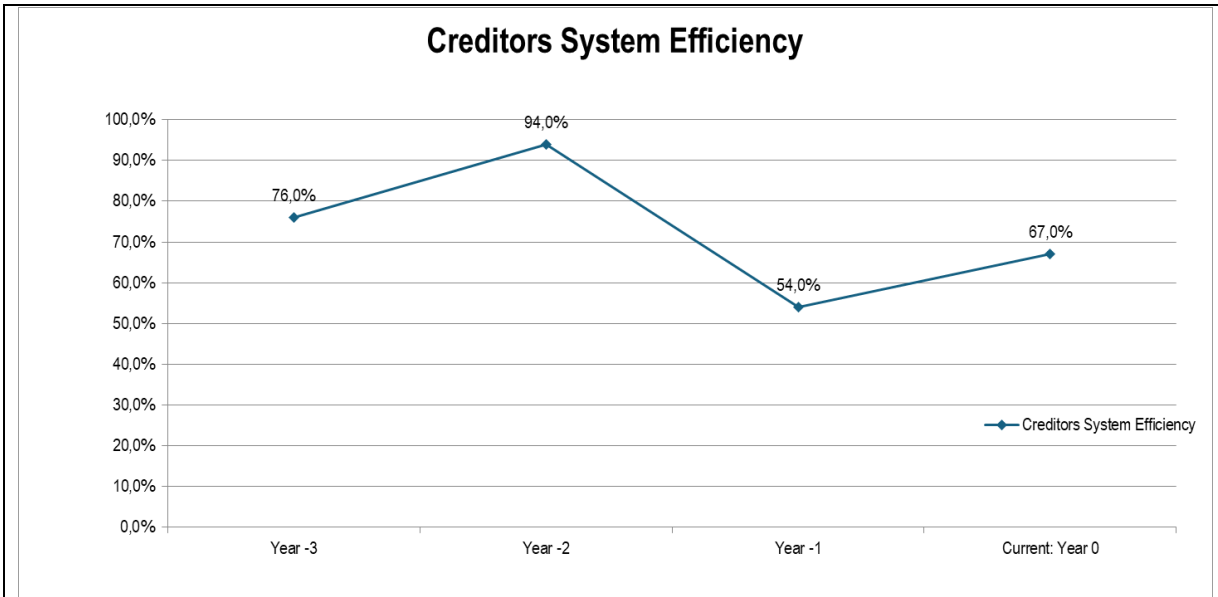
T 5.4.3



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

Data used from MBRR SA8

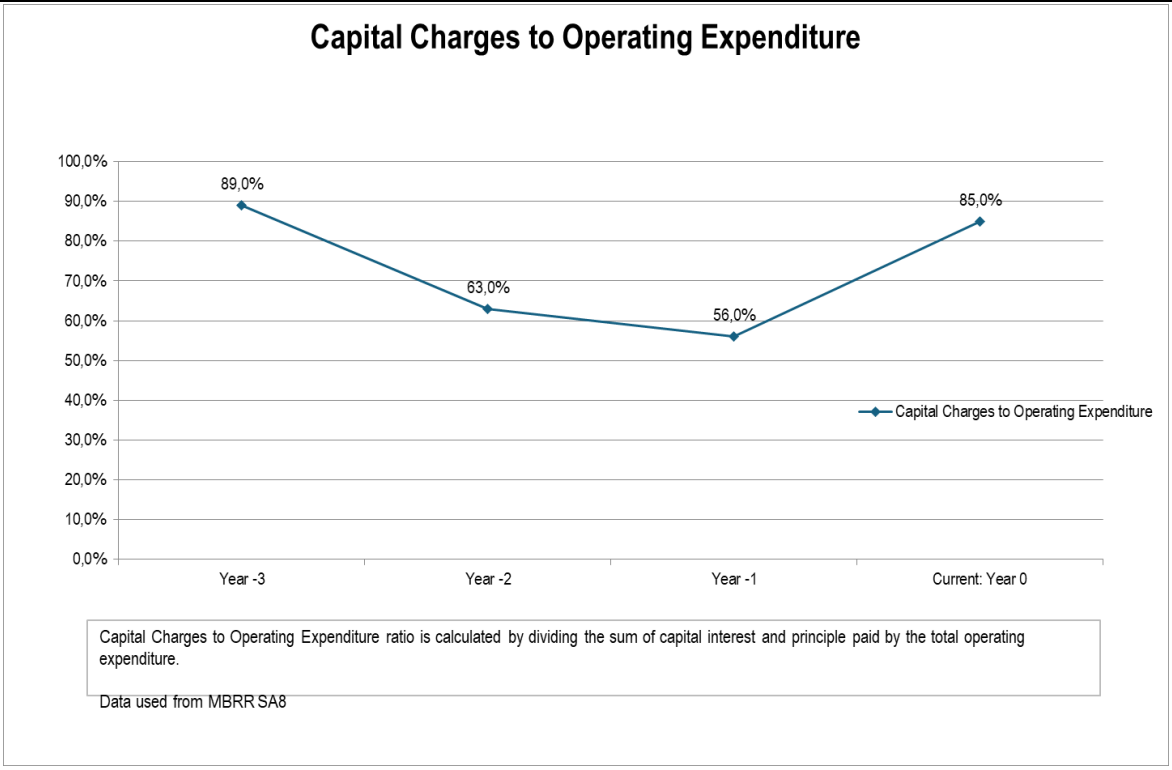
T 5.4.4



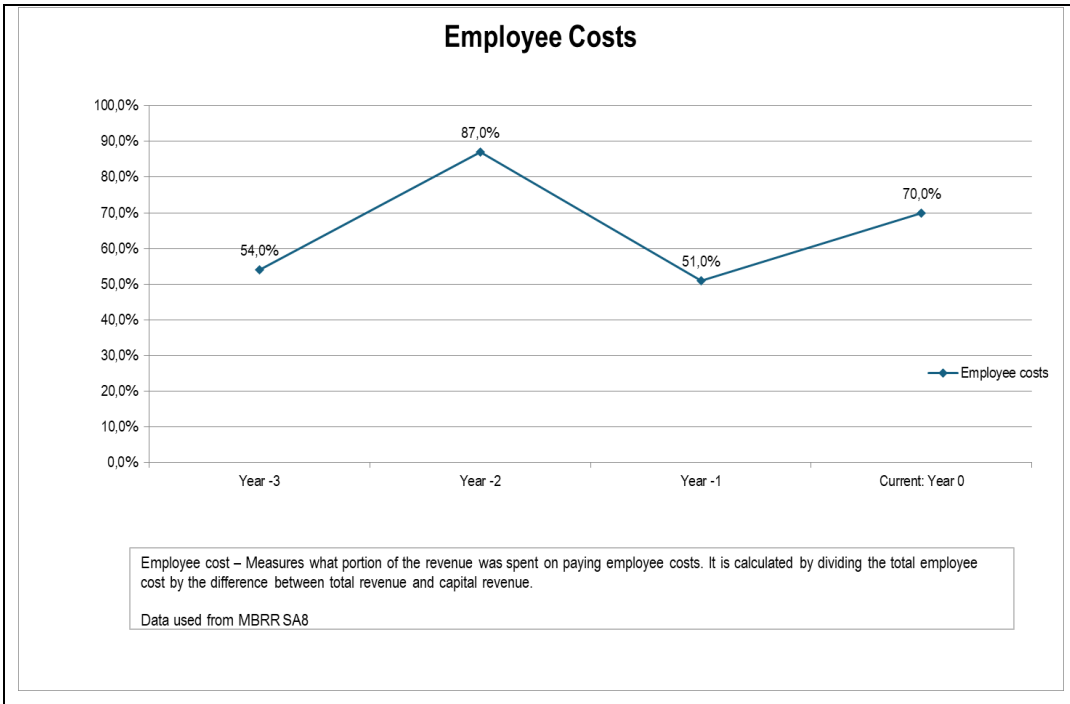
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

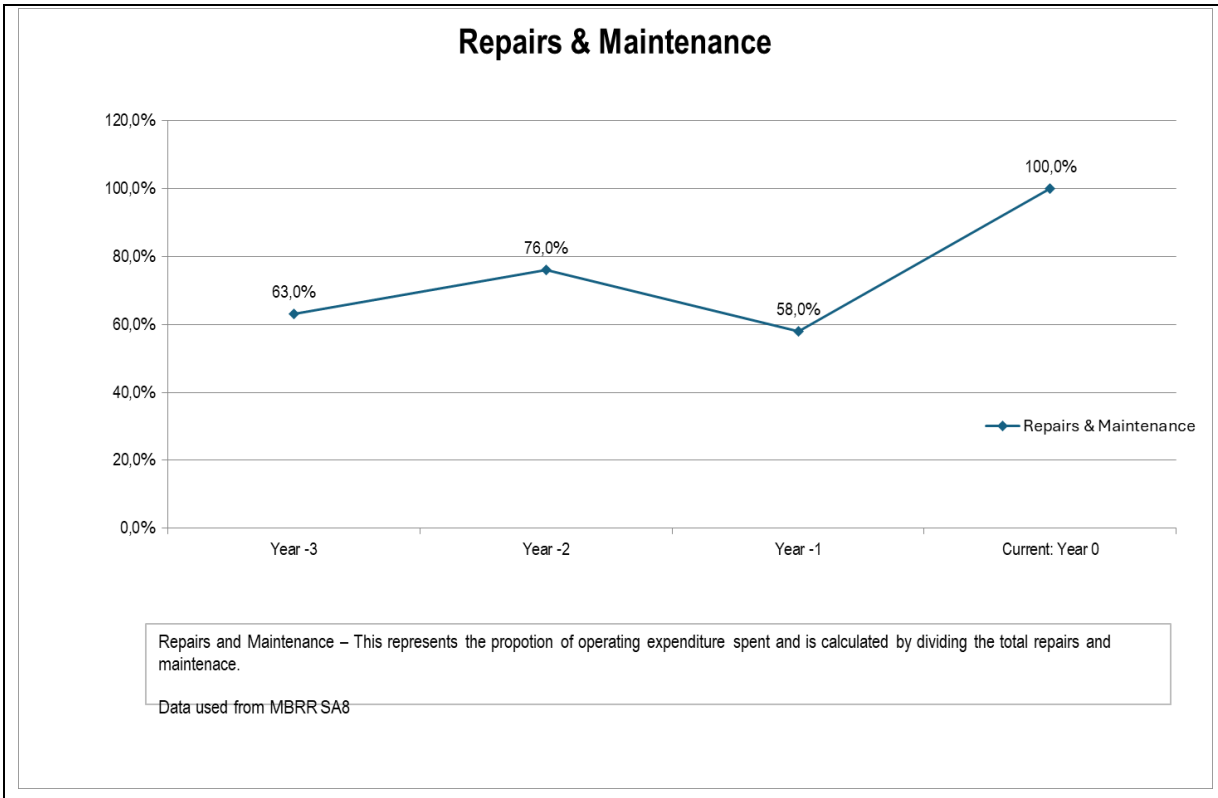
T 5.4.5


Capital Charges to Operating Expenditure
100,0%
90,0%
80,0%
70,0%
60,0%
50,0%
40,0%
30,0%
20,0%
10,0%
0,0%
89,0%
63,0%
56,0%
85,0%
Year -3
Year -2
Year -1
Current: Year 0
Capital Charges to Operating Expenditure
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.
Data used from MBRR SA8

T 5.4.6


Employee Costs
100,0%
90,0%
80,0%
70,0%
60,0%
50,0%
40,0%
30,0%
20,0%
10,0%
0,0%
54,0%
87,0%
51,0%
70,0%
Year -3
Year -2
Year -1
Current: Year 0
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

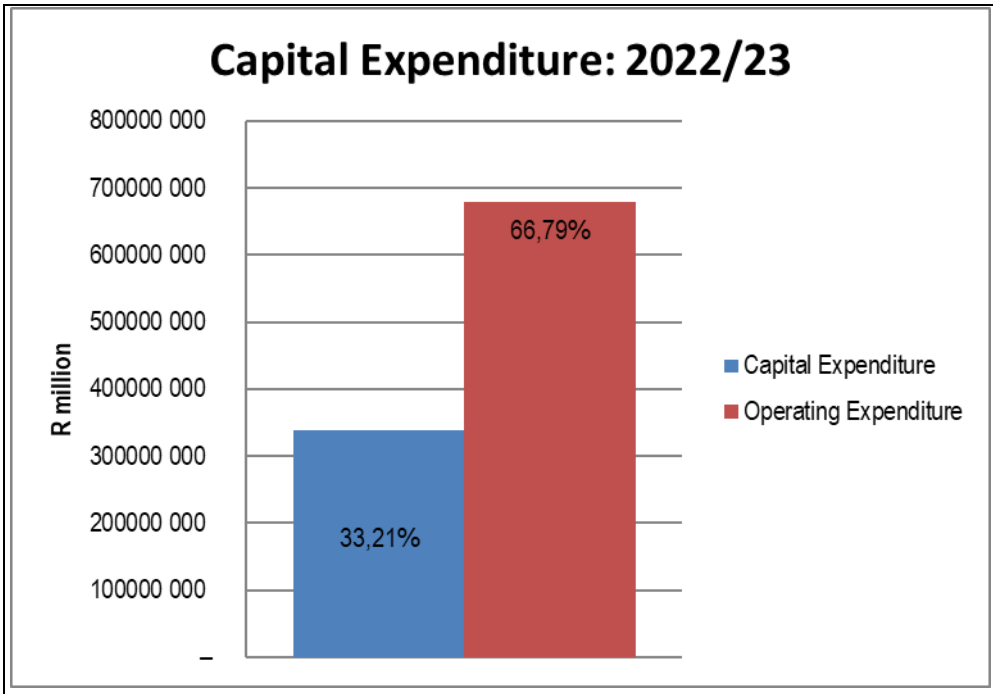
T 5.4.7


Repairs & Maintenance
120,0%
100,0%
80,0%
60,0%
40,0%
20,0%
0,0%
63,0%
76,0%
58,0%
100,0%
Year -3
Year -2
Year -1
Current: Year 0
Repairs & Maintenance
Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.
Data used from MBRR SA8

T 5.4.8

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



T 5.5.1

5.6 SOURCES OF FINANCE

R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	338	338	359	-6,5%	0,0%
	338	338	359	-6,5%	-6,5%
Operating Expenditure	679	679	732	-7,8%	-7,8%
	679	679	732	-7%	-7,8%
Total expenditure	**1 017**	**1 017**	**1 091**	-7,3%	-7,3%
Water and sanitation	105	–	71	32,1%	
Electricity	53	–	36	31,8%	
Housing	3	–	2	40,3%	

Roads, Pavements, Bridges and storm water	8	–	10	-13,0%	
Other	–	0	–		100,0%
	169	**–**	**119**	29,9%	
External Loans	–	–	–		
Internal contributions	–	–	–		
Grants and subsidies	–	–	–		
Other	–	–			
	–	**–**	**–**		
External Loans	–	–	–		
Grants and subsidies	355	–	355	0,0%	
Investments Redeemed	–	–	–		
Statutory Receipts (including VAT)	89	–	89	0,0%	
Other Receipts	945	–	945	0,0%	
	1 390	**–**	**1 390**	0,0%	
Salaries, wages and allowances	232	–	234	-0,9%	
Cash and creditor payments	365	–	374	-2,5%	
Capital payments	338	–	359	-6,5%	
Investments made	–	–	–		
External loans repaid	–	–	–		
Statutory Payments (including VAT)	–	–	–		
Other payments	–	–	1		
	935	**–**	**968**	-3,6%	

	Original Budget	**Adjustment Budget**	**Audited Full Year Total**	**Original Budget variance**	**Adjusted Budget Variance**
Property rates	118	–	63	46,7%	

Service charges	129	–	61	52,6%	
Other own revenue	62	0	62	0,0%	-684631788,9%
	309	**–**	**186**	39,8%	
Employee related costs	232	–	234	-0,9%	
Provision for working capital	–	–	–		
Repairs and maintenance	40	–	51	-26,9%	
Bulk purchases	102	–	99	3,0%	
Other expenditure	338	–	340	-0,8%	
	712	–	**724**	-1,8%	
Service charges: Electricity	50	–	33	33,0%	
Grants & subsidies: Electricity	17	–	17	0,0%	
Other revenue: Electricity	–	–	–		
	343	–	**358**	-4,4%	
Employee related costs: Electricity	7	–	6	19,0%	
Provision for working capital: Electricity	–	–	–		
Repairs and maintenance: Electricity	17	–	19	-17,7%	
Bulk purchases: Electricity	102	–	99	3,0%	
Other expenditure: Electricity	–	–	–		
	242	–	**267**	-10,3%	
Service charges: Water	52	–	11	78,9%	
Grants & subsidies: Water	238	–	238	0,0%	
Other revenue: Water	–	–	–		
	177	–	**180**	-1,8%	
Employee related costs: Water	18	–	17	5,7%	

Provision for working capital: Water	–	–	–		
Repairs and maintenance: Water	28	–	23	17,8%	
Bulk purchases: Water	–	–	–		
Other expenditure: Water	–	–	–		
	156	–	**157**	-0,1%	

TN

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	**Current: 2022/2023**			**Variance: Current 2022/2023**	
	Original Budget	**Adjustment Budget**	**Actual Expenditure**	**Original Variance (%)**	**Adjustment variance (%)**
Installation of the different sizes of the water pipelines, Installation of the valves, installation of water meters, connection to the existing network, pipe marking	26 475	26 475	23 434	11%	0%
Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4	39 632	33 376	33 376	16%	16%

Eerstehoek Bulk Water Scheme - Phase 3	95 142	95 142	95 142	0%	0%
Eerstehoek Bulk Water Scheme - Phase 4					
Upgrading of The Mayflower Treatment works	70 000	70 000	70 000	0%	0%
Mpuluzi Methula phase 5,6 &7					
Construction of Paving Road in Nhlazatshe 7.	15 000	15 000	15 270	-2%	0%

** Projects with the highest capital expenditure in 2022/23*	
Name of Project - A	
Objective of Project	To reduce water loss and balancing water reticulation
Delays	None
Future Challenges	None
Anticipated citizen benefits	The Community will have access to water
Name of Project - B	
Objective of Project	Reduce issue of Spillages from sewer network and the plant itself
Delays	Stikes from SMMES
Future Challenges	None
Anticipated citizen benefits	There will no spillages in the Community of Silobela
Name of Project - C	
Objective of Project	To upgrade the plant from 14 MI to 29 MI
Delays	Stikes from SMMES
Future Challenges	None
Anticipated citizen benefits	Based on current population everyone will have access to water once the project is completed
Name of Project - D	
Objective of Project	To upgrade the Plant from 2.5MI to 10MI
Delays	Stikes from SMMES
Future Challenges	None
Anticipated citizen benefits	The Community will have access to water once the project is completed
Name of Project - E	
Objective of Project	To Minimise road traffic at Nhlazatshe Crossing
Delays	Stikes from SMMES
Future Challenges	None
Anticipated citizen benefits	The community will not be delayed in the road due to traffic
	T 5.7.1

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 2023.

Electricity

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

Water

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

Sanitation

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

T 5.8.1

Service Backlogs as at 30 June 2022/23 Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity	504	%		%
Waste management		%		%
Housing		%		%

T 5.8.2

All Municipal Grants Expenditure 2022/23 on Service backlogs						
R' 000						
Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjustments Budget**	
Infrastructure - Road transport			R0,00	0%	0%	
Roads, Pavements & Bridges	R23 550 000,00	R23 550 000,00	R23 550 000,00	0%	0%	
Storm water	R18 430 742,95	R18 430 742,95	R18 430 742,95	0%	0%	
Infrastructure - Electricity			R0,00	0%	0%	
Generation			R0,00	0%	0%	
Transmission & Reticulation	R10 000 000,00	R7 800 000,00	R17 800 000,00	56%	44%	
Street Lighting	R14 000 000,00	R14 000 000,00	R 14 000 000,00	0%	0%	
Infrastructure - Water			R0,00	0%	0%	
Dams & Reservoirs	R20 000 000,00	R20 000 000,00	R20 000 000,00	0%	0%	
Water purification	R152 530 000,33	R152 530 000,33	R152 530 000,33	0%	0%	
Reticulation	R28 569 115,88	R28 569 115,88	R28 569 115,88	0%	0%	
Infrastructure - Sanitation			R0,00	0%	0%	
Reticulation	R15 664 464,20	R15 664 464,20	R15 664 464,20	0%	0%	
Sewerage purification	R55 928 454,11	R55 928 454,11	R55 928 454,11	0%	0%	
Infrastructure - Other			R0,00	0%	0%	
Waste Management	R892 662,62	R892 662,62	R892 662,62	0%	0%	
Transportation	R2 536 461,51	R2 536 461,51	R2 536 461,51	0%	0%	
Gas			R0,00	0%	0%	
Other Specify:			R0,00	0%	0%	
			R0,00	0%	0%	
			R0,00	0%	0%	
			R0,00	0%	0%	
Total	**R342 101 901,60**	**R7 800 000,00**	**R349 901 901,60**			
						T 5.8.3

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

5.9 CASH FLOW

Cash Flow Outcomes R'000				
Description	2021/22	Current: 2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	132 233	139 506	139 506	139 506
Government - operating	355 561	404 367	404 367	404 367
Government - capital	439 491	352 028	352 028	352 028
Interest	4 997	9 546	9 546	9 546
Dividends	–	–	–	–
Payments				
Suppliers and employees	(570 688)	(611 896)	(611 896)	(611 896)
Finance charges	(2 475)	(2 836)	(2 836)	(2 836)
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	359 119	290 716	290 716	290 716
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(379 534)	(309 415)	(309 415)	(309 415)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(379 534)	(309 415)	(309 415)	(309 415)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(4 994)	(3 468)	(3 468)	(3 468)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 994)	(3 468)	(3 468)	(3 468)
NET INCREASE/ (DECREASE) IN CASH HELD	(25 409)	(22 167)	(22 167)	(22 167)
Cash/cash equivalents at the year begin:	56 073	26 250	26 250	26 250
Cash/cash equivalents at the year end:		4 083	4 083	4 083

T 5.9.1

COMMENT ON CASH FLOW OUTCOMES

The 2022/23 revenue decreased, and expenditure increased as outlined in the financial statements as compared to the previous year. The cash flow has deceased from 26 million to 4 million.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The Municipality did not undertake any borrowings in the 2022/23 financial year.

T 5.9.1.1

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

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

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

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

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

T 5.13.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

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

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

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

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2021/22

6.1 AUDITOR GENERAL REPORTS 2021/22 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: 2021/22	
Audit Report Status*:	**Qualified opinion**
Non-Compliance Issues	**Remedial Action Taken**
Unaudited disclosure notes Disclosure requirements as per MFMA Section 125(2) e not compliant with.	The Municipality developed an action plan that is updated monthly and is reviewed by the Internal Audit function to address the issues by AG
Procurement and contract Management SCM regulations 19(a) not fully compliant with	The Municipality developed an action plan that is updated monthly and is reviewed by the Internal Audit function to address the issues by AG
Asset Management Section 14(2)(a) and 14(2)(b) of the MFMA was not fully compliant with	The Municipality developed an action plan that is updated monthly and is reviewed by the Internal Audit function to address the issues by AG
Expenditure Management Section 62(1)(d) of the MFMA were not fully compliant with	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG

T 6.1.1

Auditor-General Report on Service Delivery Performance: 2021/22	
Audit Report Status:	**Qualified**
Non-Compliance Issues	**Remedial Action Taken**
None	N/A
	T 6.1.2

COMPONENT B: AUDITOR-GENERAL OPINION 2022/23 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2022/23

Auditor-General Report on Financial Performance Year 2022/23*	
Status of audit report:	**Qualified Opinion**
Non-Compliance Issues	**Remedial Action Taken**
Unaudited disclosure notes Section 125(2)(e) of the MFMA was not fully compliant	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Expenditure Management Section 62(1)(d) of the MFMA was not fully compliant	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
	T 6.2.1

Auditor-General Report on Service Delivery Performance: 2022/23*	
Status of audit report:**	Adverse opinion
Non-Compliance Issues	**Remedial Action Taken**
Municipal planning and performance management regulation 7(1) was not fully compliant	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
	T 6.2.2

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS:

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Chief Albert Luthuli Local Municipality set out on pages 1 to 89, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effect and possible effects of the matters described in the basis for qualified opinion section of this auditor's report the financial statements present fairly, in all material respects, the financial position of the Chief Albert Luthuli Local Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for qualified opinion

Receivables from exchange transactions

3. The introduction of a new financial accounting system in July 2023 resulted in the municipality losing access to the old financial system it was using that contained relevant information for this audit. As of the date of this auditor's report, management was still in the process of obtaining consumer statements and billing reports, as a result I was unable to obtain sufficient appropriate evidence. I was unable to confirm by alternative means the gross balance of electricity stated at R17,33 million, water stated at R42,01 million, sewerage stated at R89,21 million and refuse stated at R77,06 million, as disclosed in note 4 to the financial statements. Consequently, I was unable to determine whether any adjustments were necessary relating to accounts receivable from exchange transactions.

Statutory receivables

4. The introduction of a new financial accounting system in July 2023 resulted in the municipality losing access to the old financial system it was using, that contained relevant information for this audit. As of the date of this auditor's report, management was still in the process of obtaining consumer statements and billing reports, as a result, I was unable to obtain sufficient appropriate evidence. I was unable to confirm by alternative means the gross balance of property rates stated at R259,23 million (2022: R42,96 million), as disclosed in note 5 to the financial statements. Consequently, I was unable to determine whether any adjustments were necessary relating to statutory receivables.

5. Furthermore, the municipality did not account for traffic fines receivables in accordance with the requirements of GRAP 108, *Statutory receivables*. The municipality processed a debt write-off for traffic fines that was in excess of the actual value of outstanding traffic fines. This resulted in statutory receivables being understated by R9,09 million and bad debts written off provision for doubtful debts being overstated by the same amount.

Service charges

6. The introduction of a new financial accounting system in July 2023 resulted in the municipality losing access to the old financial system it was using, that contained relevant information for this audit. As of the date of this auditor's report, management was still in the process of obtaining consumer statements and billing reports, as a result, I was unable to obtain sufficient appropriate evidence. I was unable to confirm or verify by alternative means the sale of electricity stated at R33,30 million, sale of water stated at R11,03 million, sewerage and sanitation charges stated at R7,99 million and refuse removal stated at R8,49 million, as disclosed in note 18 to the financial statements. Consequently, I was unable to determine whether any adjustments were necessary relating to service charges.

Taxation revenue

7. The introduction of a new financial accounting system in July 2023 resulted in the municipality losing access to the old financial system it was using, that contained relevant information for this audit. As of the date of this auditor's report, management was still in the process of obtaining consumer statements and billing reports, as a result, I was unable to obtain sufficient appropriate evidence. I was unable to confirm or verify by alternative means the property rates stated at R63,13 million, interest received from non-exchange transactions-consumers and sale of water stated at R18,67 million, as disclosed in the statement of financial performance. Consequently, I was unable to determine whether any adjustments were necessary relating to taxation revenue.

Interest received from exchange transactions – consumers

8. The introduction of a new financial accounting system in July 2023 resulted in the municipality losing access to the old financial system it was using, that contained relevant information for this audit. As of the date of this auditor's report, management was still in the process of obtaining consumer statements and billing reports, as a result, I was unable to obtain sufficient appropriate evidence. I was unable to confirm or verify by alternative means the interest received from exchange transactions – consumers stated at R17,45 million as disclosed in the statement of financial performance. Consequently, I was unable to determine whether any adjustments were necessary relating to interest received from exchange transactions – consumers.

Cash flows from operating activities – receipts (service charges)

9. Cash received from customers was incorrectly calculated as it included the non-cash movements from accounts receivables such as the contribution allowance to impairment, which constitutes a departure from GRAP 2, *Statement of cash flows*. Consequently, cash received from customers was overstated by R27,8 million in the financial statements.

Debt impairment

10. The introduction of a new financial accounting system in July 2023 resulted in the municipality losing access to the old financial system it was using, that contained relevant information for this audit. As of the date of this auditor's report, management was still in the process of obtaining consumer statements and billing reports, as a result, I was unable to obtain sufficient appropriate evidence. I was unable to confirm or verify by alternative means debt impairment included in the statement of financial position at a total amount of R13 367 620 as at 30 June 2023. As a result, I was unable to determine whether any adjustments were necessary to debt impairment.

Impairment loss

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

Water distribution losses

12. I was unable to obtain sufficient appropriate audit evidence that water distribution losses had been properly accounted for as the water extraction reports were not made available for auditing. I was unable to confirm the water distribution losses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to water distribution losses stated at R10,98 million (39.31%) in note 28 to the financial statements.

Context for opinion

13. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

14. 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.

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

Emphasis of matters

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

Restatement of corresponding figures

17. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Material losses – electricity

18. As disclosed in note 28 to the financial statements, material electricity losses of R26,79 million (2021-22: R31, 21 million) were incurred, which represented 46,52% (2021-22: 76,79%) of total electricity purchased.

Other matters

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

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

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

23. 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.

24. 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

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

26. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected key performance area that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure development	19, 30, 32 to 33	Delivery of quality municipal services

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

28. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the [reasons provided for any over- or underachievement of measures taken to improve performance.

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

30. The material findings on the reported performance information for the selected key performance areas are as follows:

Basic service delivery and infrastructure development

% of disaster/fire incidents reported and attended within 24 hours

31. An achievement of 92% was reported against a target of 100%. However, some supporting evidence was not provided for auditing and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Percentage of new household's water connection received and responded to

32. An achievement of 100% was reported against a target of 100%. However, the audit evidence showed the actual achievement to be only 71%. Consequently, the target was not achieved.

Various indicators

33. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
Number of square meters of tarred roads' potholes repaired	1 500	2699.65
Number of mega litres of portable water distributed	10 080 000 000	3 926 090 000

34. Based on audit evidence, the actual achievements for two indicators did not agree to the achievements reported, but the targets were still achieved:

Indicator	Target	Reported achievement	Actual achievement
Percentage of electrical panels repaired/ maintained after faults detected within 2 days	100%	100%	176%
Percentage of network failure reported and responded to within 5 days.	100%	100%	347%

Other matters

35. I draw attention to the matters below.

Achievement of planned targets

36. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

37. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery and infrastructure development. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

38. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

39. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

40. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

41. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Financial statements, performance reports and annual reports

42. 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.

43. Material misstatements of current assets, current liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

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

45. Reasonable steps were not taken to prevent irregular expenditure amounting to R2,49 million, as disclosed in note 40 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.

Revenue management

46. An adequate management, accounting and information system, which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.

47. I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

48. I was unable to obtain sufficient appropriate audit evidence that accounts for municipal tax, charges, municipal services and service charges were prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

49. I was unable to obtain sufficient appropriate audit evidence that interest had been charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Strategic planning and performance

50. The performance management system and related controls were inadequate, as it did not describe how the performance monitoring, measurement and reporting processes should be conducted and/or managed, as required by municipal planning and performance management regulation 7(1).

Conditional grants

51. Performance in respect of programmes funded by the regional bulk infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

52. 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 the Dora.

Other information in the annual report

53. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.

54. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

55. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

56. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

57. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

58. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

59. 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.

60. Management did not review and monitor compliance with laws and regulations consistently to prevent contraventions laws and regulations.

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

Material irregularities

62. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularity identified during the audit

63. The material irregularity identified is as follows:

Appointment of a consultant of VAT recovery/review on a commission based basis that is not cost effective

64. The municipality appointed a consultant to provide services for VAT recovery/review on 1 December 2021 for a period of 36 months. The consultant was not appointed on a time and cost basis, as required by the cost containment regulations. However, the consultant was appointed on a contingency basis of 7,5% commission on the VAT refund. Consequently, section 62(1)(a) of the MFMA was not complied with, as reasonable steps were not taken to ensure that the resources of the municipality are used effectively, efficiently and economically. The non-compliance was likely to result in a material financial loss for the municipality, due to the contingency basis used, resulting in potentially excessive amounts being paid to consultants for services that could have been performed internally at a lower cost

The accounting officer was notified of the material irregularity on 27 January 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter.

The accounting officer terminated the contract with the VAT consultant with effect from 1 June 2023. The accounting officer strengthened the internal control environment within the municipality and capacitated the finance unit to ensure that VAT returns were done in-house at the municipality from June 2023.

The material irregularity is therefore resolved.

Auditor-General

Mbombela

30 November 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements.

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009:	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005:	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)

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

COMMENTS ON AUDITOR-GENERAL'S OPINION 2022/23

The Municipality received a qualified audit opinion for the 2022-23 financial year.

The Audit Strategy and the Engagement Letter were discussed with Management. The Municipality received the Audit Report on 30 November 2023, with Nine qualification paragraph on receivables from non-exchange transaction, Statutory receivables, Service charges, Taxation revenue, Interest received from exchange transactional-consumers, Cash flows from operating activities-receipts(service charges), Debt impairment, Impairment loss and Water distribution losses

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)..... Date 24 January 2024

T 6.2.5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
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 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 Key performance indicators	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 Key performance areas	• 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".
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.
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

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance (01 July 2022 – 30 June 2023)					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage for non-attendance
	FT/PT			%	%
Nkosi, DP	Full Time	Executive Mayor Mayoral Committee Policies and By-Laws S79	PR	100%	0%
Gininda, SV	Full Time	Speaker Policies and By-Laws S79. Local Geographical Naming, Petitions, Rules and Ethics S79	PR	100%	0%
Masuku-Sidu, LL	Full Time	Whip of Council Policies and By-Laws S79	PR	100%	0%
Motaung, RM	Full Time	MPAC S79A	Ward 17	100%	0%
Mathebula, JT	Full Time	Mayoral Committee. Corporate Services S80;	Ward 20	100%	0%
Zulu-Khumalo, GG	Full Time	Mayoral committee. Community Services S80	PR	100%	0%
Thomo, NG	Full Time	Section 80 PMU Mayoral Committee.	PR	100%	0%
Dhlamini, ES	Full Time	Mayoral Committee.	PR	100%	0%

Councillors, Committees Allocated and Council Attendance (01 July 2022 – 30 June 2023)					
		Finance S80			
Dube, SN	Full Time	Mayoral Committee. Technical Services S80	Ward 6	90%	10%
Nkumane MJ	Part Time	LGNC S79	Ward 1	90%	10%
Khumalo SP	Part Time	PED S79	Ward 2	90%	10%
Dlamini NV	Part Time	Technical Services S79	Ward 3	100%	0%
Mabuza VB	Part Time	Technical Services S80	Ward 4	90%	10%
Nkosi NP	Part Time	PED S80	Ward 5	100%	0%
Manana BL	Part Time	Technical Services S79	Ward 7	80%	20%
Methula ZC	Part Time	PMU S80	Ward 8	100%	0%
Nkambule KV	Part Time	Community Services S80	Ward 9	80%	0%
Lulane SK	Part Time	Community Services S79	Ward 10	80%	0%
Makene J	Part Time	Community Services S79	Ward 11	90%	10%
Shiba XSG	Part Time	PED S79	Ward 12	70%	30%
Hlatshwayo PT	Part Time	Technical Services S80	Ward 13	100%	0%
Mauku BM	Part Time	Community Services S80	Ward 14	100%	0%
Mncina LM	Part Time	MPAC S79A	Ward 15	100%	0%
Maisela SJ	Part Time	Finance S79	Ward 16	80%	20%
Gininda O	Part Time	PED S80	Ward 18	90%	10%
Masuku BM	Part Time	PED S80		90%	10%

Councillors, Committees Allocated and Council Attendance (01 July 2022 – 30 June 2023)					
			Ward 19		
Mbokane PS	Part Time	Corporate Services S80	Ward 21	80%	20%
Jele D	Part Time	Technical Services S79	Ward 22	90%	10%
Nkosi PZ	Part Time	Corporate Services S79	Ward 23	80%	20%
Thwala SJ	Part Time	Finance S80	Ward 24	90%	10%
Nkosi AJ	Part Time	Finance S79	Ward 25	80%	20%
Mbuli TG	Part Time	Corporate Services S80	PR	100%	0%
Sikhakhane NB	Part Time	Corporate Services S79	PR	100%	0%
Adams PP	Part Time	PMU S80	PR	100%	0%
Phakathi FDM	Part Time	MPAC S79 A	PR	100%	0%
Thomo GP	Part Time	Finance S79	PR	90%	10%
Matshaba KA	Part Time	Finance S80	PR	100%	0%
Nkosi DS	Part Time	MPAC S79A	PR	70%	30%
Van Der Walt L	Part Time	Finance S79	PR	90%	10%
Ndebele JCH	Part Time	PED Section 79	PR	70%	30%

Councillors, Committees Allocated and Council Attendance (01 July 2022 – 30 June 2023)					
Mbatha ME	Part Time	Corporate Services S79	PR	90%	10%
Thambekwayo MT	Part Time	Community Services S79	PR	60%	40%
Sithole BI	Part Time	Policies and By Laws S79	PR	100%	0%
Nkosi LNP	Part Time	MPAC S79A	PR	70%	30%
Hlophe MP	Part Time	Rules and Ethics S79	PR	70%	30%
Nkambule TT	Part Time	Technical Services S79	PR	70%	30%
Hlatshwayo CP	Part Time	Policies and By-Laws S79	PR	70%	30%
Zwane FC	Part Time	S79 LGNC	PR	90%	10%
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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
S79 Committees [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)] • 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)	To perform oversight over municipal departmental activities and performance
S79 Municipal Public Accounts Committee (MPAC) [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]	i) To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report; ii) In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the annual report must also be reviewed; this relates to current in-year reports, including the quarterly, mid-year and annual reports; iii) To examine the financial statements and audit reports of the Municipality, and in doing so, the Committee must consider improvements from previous statements and reports and must evaluate the extent to which the recommendations of the Audit Committee and Auditor-General have been implemented; iv) To promote good governance, transparency and accountability on the use of municipal resources; v) To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality of the Audit Committee; and vi) To perform any other functions assigned to

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

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
	decision making, as they are a direct and unique link with the council • are representative of the local ward, and are not politically aligned • should be involved in matters such as the Integrated Development Planning Process, municipal performance management, the annual budget, council projects and other key activities and programmes as all these things impact on local people • can identify and initiate projects to improve the lives of people in the ward • can support the councillor in dispute resolutions, providing information about municipal operations • can monitor the performance of the municipality and raise issues of concern to the local ward • can help with community awareness campaigns e.g. waste, water and sewage, payment of fees and charges, as members know their local communities and their needs.
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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

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

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

Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDIX E – WARD REPORTING

Functionality of Ward Committees (July 2022 – November 2023)					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes/ No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
1	Nkumane MJ	Yes	12	12	4
2	Khumalo SP	Yes	12	12	4
3	Ngwenya RD	Yes	12	12	4
4	Mabuza VB	Yes	12	12	4
5	Nkosi NP	Yes	12	12	4
6	Dube, SN	Yes	12	12	4
7	Manana BL	Yes	12	12	4
8	Methula ZC	Yes	12	12	4
9	Nkambule KV	Yes	12	12	4
10	Lulane SK	Yes	12	12	4
11	Makene J	Yes	12	12	4
12	Shiba XSG	Yes	12	12	4
13	Hlatshwayo PT	Yes	12	12	4
14	Mauku BM	Yes	12	12	4
15	Mncina LM	Yes	12	12	4
16	Maisela SJ	Yes	12	12	4
17	Motaung, RM	Yes	12	12	4
18	Gininda O	Yes	12	12	4
19	Masuku BM	Yes	12	12	4
20	Mathebula, JT	Yes	12	12	4
21	Mbokane PS	Yes	12	12	4
22	Jele D	Yes	12	12	4
23	Nkosi PZ	Yes	12	12	4
24	Thwala SJ	Yes	12	12	4
25	Nkosi AJ	Yes	12	12	4

APPENDIX F – WARD INFORMATION

Capital Programme by Project by Ward: 2022/23		
		R349 901 901,60
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Water		
ALMT 02/2022 - Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Mℓ/day	15, 21 & 22	No
ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	4	No
ALMT18/2017 - Elukwatini G water distribution network system	16, 23 & 24	Yes
ALMT18/2022 - Eerstehoek Bulk Water Scheme	10, 13, 14, 16, 18, 19, 20, 23, 24 & 25	No
GSDM 84/2020 - Empuluzi Methula Regional Bulk Water Supply Scheme	4, 5, 6, 7, 9, 11	No
Sanitation/Sewerage		
ALMT12/2022 - Construction of VIP Toilets 2012-2015	1-25	Yes
ALMP05/2014 - Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23	13, 18 & Part of Ward 23	Yes
ALMT14/2022 - Upgrading of Waste Water Treatment Works to 3ML/day in Empuluzi Ward 04,07&09 (Contract 1,2&5)	04; 07 & 09	Yes
ALMT15/2022 - Upgrading of the Mpuluzi Suncity Ext C&E Bulk Sewer System Works	4	Yes
ALMT18/2017 - Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system	15, 21 & 22	No
Upgrading of the Carolina WWTW and Silobela Ext 4 sewer reticulation network	15, 21 & 22	No
Electricity		
ALMT37/2020 - Bulk Electrical Infrastructure	1-25	No
ALMT13/2021 - Installation of Highmast	1,2,4,6,7,8,9,16,18,20 & 21	Yes
Housing		
None		
None		
Refuse removal		
ALMT02/2017 - Purchase of the three (3) Specilised Waste Management Vehicles for CALM		Yes
ALMP03/2022 - Construction of Badplass Landfill site	17&23	Yes
Road transport & Stormwater		

ALMT04/2022 - Construction of Carolina Collector Access Roads	15	Yes
ALMT 03/2022 - Construction of Dundonald Collector Access Roads	5	Yes
ALMT 07/2019 - Construction of Fernie Collector Access Roads	3	Yes
ALMP01/2022 - Construction of Nhlazatshe 3 Collector Access Roads	17 & 23	Yes
ALMT25/2020 - Construction of Nhlazatshe Collector Access Road	7	Yes
ALMP02/2022 - Construction of Nhlazatshe Collector Access Road	10	Yes

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	53 480	53 282	52 849	15 082	
Households without minimum service delivery	0	198	631	38 398	
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 2022/23**
1	ALMT18/2017 - Elukwatini G water distribution network system	Completed
2	ALMT12/2022 - Construction of VIP Toilets 2012-2015	Completed
3	ALMP01/2022 - Construction of Nhlazatshe 3 Collector Access Roads	Completed
4	ALMT13/2021 - Installation of Highmast	Completed
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ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

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APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/23

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during 2022/23**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
July 2022	That management should ensure that all findings are resolved before 31 August 2022	Yes
July 2022	The Audit Committee recommended that management should refer the fruitless and wasteful to the MPAC for investigation.	Yes
July 2022	Audit Committee members indicated that management should ensure that there are no repeated issues raised by the Auditor General in relation to the action plan.	Yes
July 2022	In relation to the Irregular expenditure, management should apply the recent legislation in terms of the 20% reduction method of the irregular expenditure	Yes
July 2022	The Audit Committee recommended that management should also include the reasons for non-achievement	Yes
August 2022	The Audit Committee recommended that Management should include a description under Note 36	Yes
August 2022	The audit committee recommended that management should attend all the finding raised by internal audit and attend all issues raised by them before submission to council.	Yes
August 2022	That management should investigate the significant decrease on the land fill site on whether there was a change in estimate	Yes
August 2022	The audit committee recommended that management should attend all the finding raised by internal audit and attend all issues raised by them before submission to council.	Yes
August 2022	Management should ensure that all supporting documents are in place for indicators in line with the technical indicators descriptor	Yes

October 2022	The audit committee recommended that a special meeting should be convened to discuss the audit strategy.	Yes
October 2022	The audit committee recommended that a special meeting should be convened to discuss the audit strategy.	Yes
October 2022	Management should develop a UIFW reduction strategy plan	Yes
October 2022	The Audit committee recommended that management should consider having a long-term solution to the load-shedding as the generators tend to be used for short-term solutions.	A formal request was submitted to the local mines through the PED office to assist with generators for the water treatment works that will serve as standby energy supply.
October 2022	Management should make a provision for asset management to ensure proper maintenance	Budget provision will be made in the new financial year.
01 November 2022	The Audit Committee recommended that the Risk Management should perform an assessment in relation to the risks identified by the AG and present a report in the next Audit Committee meeting.	Yes
30 November 2022	That management should monitor a compliance register to address the noncompliance raised by the auditor general	Yes
30 November 2022	That management and Auditor general in future should escalate issues earlier for them to be able to assist the municipality as oversight body.	Yes
30 November 2022	That auditor general should rework the paragraph for qualification not to include unaudited figures because qualification can either be quantitively or qualitatively.	Yes
18 January 2023	Management should be mindful about the target dates in terms of the action place and ensure that all the findings are address to avoid findings reoccurring.	Yes
24 February 2023	The Audit Committee recommended management to take into consideration the depreciation and the debt impairment which are currently 0 in terms of the budget adjustment.	Yes
24 February 2023	In terms of the debt collection with the service provider, management should consider performing this exercise internally considering the costs that are been spent on this exercise versus the results on the actual collection	Yes

24 February 2023	Management should interact with COGTA for assistance with the debt collection	Yes
16 May 2023	Audit Committee members recommended that management should clearly state the components reserved for year-end and also perform continuous updates on the Financial Statements on a regular basis to avoid mistakes on a last minute.	Yes
16 May 2023	The Audit Committee recommended that management should include the timelines on when the Municipality is expected to fully install and implement the modules	Yes
16 May 2023	The Audit Committee recommended that the Municipality should have an MSCOA steering committee to assist with the challenges.	In progress
16 May 2023	In relation to the Internal Audit reports, the Audit Committee members recommended that the Internal Audit unit should include the responses by Management.	Yes
16 May 2023	The Audit Committee members recommended that management should include the reasons for not achieving the targets as given by Management	Yes
16 May 2023	The Audit Committee recommended that Management should include the period of the contracts.	Yes
16 May 2023	The Audit Committee recommended that Management should conduct an assessment on a yearly basis to check the probability of the Municipality paying out or not as this would assist in classification of the litigation cases	Yes
16 May 2023	The Audit Committee recommended that Management should include a list of employees who received the Bursaries and the qualification been paid for and the Institution where they are studying.	Yes
16 May 2023	Audit Committee recommended that management should be clear in the description of the KPIs.	Yes

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APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (Four (4) Largest Contracts Entered into during 2022/23)

R' 000

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

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	2022/23		2021/22			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
	(b) Service Targets	*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 Municipality	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2022/23 (Current Year)		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cllr DP Nkosi	Nil
Member of MayCo / Exco		
MMC Technical Services	Cllr SN Dube	Nil
MMC Safety Community Services	Cllr GG Zulu	Nil
MMC Special Programmes	Cllr NG Thomo	Nil
MMC Corporate Services	Cllr JT Mathebula	Nil
MMC Finance	Cllr ES Dhlamini	Nil
MMC Ped	Cllr SP Nkosi	Nil
Councillor		
Ward 1	Cllr MJ Nkumane	Nil
Ward 2	Cllr SP Khumalo	Nil
Ward 3	Cllr N Dlamini	Nil
Ward 4	Cllr VB Mabuza	Nil
Ward 5	Cllr NP Nkosi	Nil
Ward 6	Cllr SN Dube	Nil
Ward 7	Cllr BL Manana	Nil
Ward 8	Cllr ZC Methula	Nil
Ward 9	Cllr KV Nkambule	Nil
Ward 10	Cllr SK Lulane	Nil
Ward 11	Cllr J Makene	Nil
Ward 12	Cllr XSG Shiba	Nil
Ward 13	Cllr PT Hlatshwayo	Nil
Ward 14	Cllr BM Mauku	Nil
Ward 15	Cllr L Mncina	Nil
Ward 16	Cllr SJ Maisela	Nil
Ward 17	Cllr RD Motaung	Nil
Ward 18	Cllr O Gininda	Nil
Ward 19	Cllr BM Masuku	Nil
Ward 20	Cllr JT Mathebula	Nil
Ward 21	Cllr PS Mbhokane	Nil
Ward 22	Cllr D Jele	Nil
Ward 23	Cllr PZ Nkosi	Nil
Ward 24	Cllr SJ Thwala	Nil
Ward 25	Cllr AJ Nkosi	Nil

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

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						R' 000
Vote Description	2021/2022	Current: 2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Planning and Economic Development	995	15 784	15 649	379	2%	2%
Vote 2 - Corporate Services	1 387	109 249	109 249	601	1%	1%
Vote 3 - Financial Services	483 523	114 783	107 510	893 079	778%	831%
Vote 4 - Project Management Unit	0	337 596	345 104	0	0%	0%
Vote 5 - Municipal Manager	0	9 673	9 573	0	0%	0%
Vote 6 - Political Office/Council General	0	51 736	51 736	0	0%	0%
Vote 7 - Technical services	499 669	290 052	290 052	33 494	12%	12%
Vote 8 - Community services	17 724	87 174	87 174	17 943	21%	21%
Total Revenue by Vote	**1 003**	**1 016**	**1 016**	**945**	**0**	**0**

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Service charges	63 124	128 585	128 585	60 992	-111%	-111%
Property rates	75 928	116 197	118 448	63 127	-84%	-88%
Rental income	681	142	1 080	535	73%	-102%
Interest received from exchange transactions	13 646	12 938	11 788	17 446	26%	32%
Interest received from non-exchange transactions	30 701	25 104	21 566	18 672	-34%	-16%
License and permits	16	–	214	19	100%	-1027%
Other income	2 902	932	1 932	4 449	79%	57%
Interest received - Investment	4 997	2 386	2 386	9 546	75%	75%
Donations	535	–	–	4 291	100%	100%
Fines, penalties and forfeits	8 992	214	714	5 377	96%	87%
Total Revenue (excluding capital transfers and contributions)	**201 524**	**286 499**	**286 713**	**184 456**	**-55,32%**	**-55,44%**
						T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Capital Programme by Project: 2022/23						
Grant Name	**Capital Project**	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water						
WSIG	ALMT18/2017 - Elukwatini G water distribution network system	R23 434 442,11		R 23 434 442,11	100%	0%
RBIG	ALMT18/2022 - Eerstehoek Bulk Water Scheme	R95 142 000,00		R95 142 000,00	100%	0%
RIBG	GSDM 84/2020 - Empuluzi Methula Regional Bulk Water Supply Scheme	R70 000 000,00		R 70 000 000,00	100%	0%
Sanitation/Sewerage						
WSIG	ALMT15/2022 - Upgrading of the Mpuluzi Suncity Ext C&E Bulk Sewer System Works	R6 683 656,69		R6 683 656,69	100%	0%
WSIG	ALMT18/2017 - Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system	R8 980 807,51		R8 980 807,51	100%	0%
WSIG	Upgrading of the Carolina WWTW and Silobela Ext 4 sewer reticulation network	R 33 376 093,69		R33 376 093,69	100%	0%
Electricity						
	ALMT37/2020 - Bulk Electrical Infrastructure	R10 000 000,00	R7 800 000,00	R17 800 000,00	56%	44%

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

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

T L.1

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

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

Capital Expenditure - New Assets Programme* R '000							
Description	2021/2022	2022/2023			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/2024	2024/2025	2025/2026
Capital expenditure by Asset Class							
Infrastructure - Total	**119 722**	**69 721**	**73 564**	**95 329**	**36 614**	**25 414**	**–**
Infrastructure: Road transport - Total	40 685	26 000	47 714	42 855	6 199	6 199	–
Roads, Pavements & Bridges	40 685 000	26 000 000	47 714 000	42 854 524	6 199 000	6 199 000	0
Storm water	0	0	0	0	0	0	0
Infrastructure: Electricity - Total	35 968	13 000	13 500	31 788	8 015	8 015	–
Generation	24 468 000	13 000 000	13 500 000	17 800 000	8 015 000	8 015 000	0
Transmission & Reticulation	0	0	0	0	0	0	0
Street Lighting	11 500 000	0	0	13 988 399	0	0	0
Infrastructure: Water - Total	–	–	–	–	–	–	–
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	0	0	0	0	0	0	0
Infrastructure: Sanitation - Total	43 069	30 000	9 350	14 940	22 400	11 200	–
Reticulation	43 069 000	30 000 000	9 350 000	14 939 863	22 400 000	11 200 000	0
Sewerage purification	0	0	0		0	0	0
Infrastructure: Other - Total	–	721	3 000	5 746	–	–	–
Waste Management	0	721 000	3 000 000	5 745 940	0	0	0
Transportation	0	0	0		0	0	0
Gas	0	0	0		0	0	0
Other	0	0	0		0	0	0
Community - Total	**–**	**2 500**	**2 500**	**–**	**–**	**–**	**–**
Parks & gardens	0	0	0		0	0	0
Sportsfields & stadia	0	2 500 000	2 500 000		0	0	0
Swimming pools	0	0	0		0	0	0
Community halls	0	0	0		0	0	0
Libraries	0	0	0		0	0	0
Recreational facilities	0	0	0		0	0	0
Fire, safety & emergency	0	0	0		0	0	0
Security and policing	0	0	0		0	0	0
Buses	0	0	0		0	0	0

Clinics	0	0	0		0	0	0
Museums & Art Galleries	0	0	0		0	0	0
Cemeteries	0	0	0		0	0	0
Social rental housing	0	0	0		0	0	0
Other	0	0	0		0	0	0

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

Capital Expenditure - Upgrade/Renewal Programme* R '000							
Description	**2021/2022**	**2022/2023**			**Planned Capital expenditure**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**2023/2024**	**2024/2025**	**2025/2026**
Capital expenditure by Asset Class							
Infrastructure - Total	**329 259**	**237 887**	**240 924**	**249 622**	**60 000**	**60 000**	**458 020**
Infrastructure: Road transport -Total	–	–	–	–	–	–	–
Roads, Pavements & Bridges	0	0	0	0	0	0	0
Storm water	0	0	0	0	0	0	0
Infrastructure: Electricity - Total	–	–	–	–	–	–	–
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	0	0	0	0	0	0	0
Street Lighting	0	0	0	0	0	0	0
Infrastructure: Water - Total	329 259	237 887	240 924	249 622	60 000	60 000	458 020
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	329 259 000	237 887 000	240 924 000	249 621 898	60 000 000	60 000 000	458 020 000
Reticulation	0	0	0	0	0	0	0
Infrastructure: Sanitation - Total	–	–	–	–	–	–	–
Reticulation	0	0	0	0	0	0	0
Sewerage purification	0	0	0	0	0	0	0
Infrastructure: Other - Total	–	–	–	–	–	–	–
Community	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–
Buildings	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other	**0**	**0**	**0**	**0**	**0**	**0**	**0**

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2022/23

Capital Programme by Project: 2022/2023 R' 000					
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water					
Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Mℓ/day	5 000	8 037	7 964	-1%	37%
Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	5 000	5 000	4 314	-16%	-16%
Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system	9 975	9 975	8 706	-15%	-15%
Installation of the different sizes of the water pipelines, Installation of the valves, installation of water meters, connection to the existing network, pipe marking	26 475	26 475	23 434	-13%	-13%
Installation of a pumping and gravity sewer pipelines (160mm,etc), Installation of the manholes, Refurbishment/ construction of the pump stations, Electricity (ESKOM/ Municipal) connection, Testing of the pipelines.	6 684	6 684	6 683	0%	0%
Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifiers mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4	39 632	33 376	33 376	0%	-19%
Eerstehoek Bulk Water Scheme - Phase 3	95 142	95 142	95 142	0%	0%
Eerstehoek Bulk Water Scheme - Phase 4					
Upgrading of The Mayflower Treatment works	70 000	70 000	70 000	0%	0%
Mpuluzi Methula phase 5,6 &7					
Sanitation/Sewerage					

Supply and Install Clearview Fence For Empuluzi Wastewater Treatment works	15 000	3 400	2 433	-40%	-517%
Supply and Install Clearview Fence For Elukwatini Wastewater Treatment works	15 000	5 950	3 314	-80%	-353%
Construction of Conventional Toilets in ward 1,02,05,0608,11,12,16,17 & 23	12 500	12 500	13 440	7%	7%
Electricity					
Installation of Highmast Lights	13 000	13 500	13 988	3%	7%
Integrated National Electrification Project (INEP): Bulk Electrical Infrastructure	10 000	10 000	17 800	44%	44%
Housing					
Construction of Carolina Storage facility	9 832	9 832	10 062	2%	2%
Refuse removal					
Purchase of the three (3) Specialised Waste Management Vehicles for CALM	2 537	2 537	2 537	0%	0%
construction of Badplass Landfill site	721	1 500	1 500	0%	52%
Roads and Stormwater					
Construction of Fernie Collector Access Roads	10 000	10 000	993	-907%	-907%
Construction of Carolina Collector Access Roads	8 000	8 000	7 849	-2%	-2%
Construction of Paving Road in Nhlazatshe 7.	15 000	15 000	15 270	2%	2%
Construction of Nhlazatshe 3 Collector Access Road	1 515	1 515	1 515	0%	0%
Construction of Nhlazatshe Collector Access Road	1 500	1 500	780	-92%	-92%
Construction of Paving Road in Dundonald	8 000	7 500	7 449	-1%	-7%
Economic development					
None	82	85	92	8%	11%
Sports, Arts & Culture					
None	82	85	92	8%	11%
Environment					
None	82	85	92	8%	11%
Health					
None	82	85	92	8%	11%
Safety and Security					
None	82	85	92	8%	11%
ICT and Other					
None	82	85	92	8%	11%
T N					

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2022/23

Capital Programme by Project by Ward: 2022/23		
		R'000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Water		
ALMT 02/2022 - Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Mℓ/day	15, 21 & 22	No
ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	4	No
ALMT18/2017 - Elukwatini G water distribution network system	16, 23 & 24	Yes
ALMT18/2022 - Eerstehoek Bulk Water Scheme	10, 13, 14, 16, 18, 19, 20, 23, 24 & 25	No
GSDM 84/2020 - Empuluzi Methula Regional Bulk Water Supply Scheme	4, 5, 6, 7, 9, 11	No
Sanitation/Sewerage		
ALMT12/2022 - Construction of VIP Toilets 2012-2015	1-25	Yes
ALMP05/2014 - Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23	13, 18 & Part of Ward 23	Yes
ALMT14/2022 - Upgrading of Waste Water Treatment Works to 3ML/day in Empuluzi Ward 04,07&09 (Contract 1,2&5)	04; 07 & 09	Yes
ALMT15/2022 - Upgrading of the Mpuluzi Suncity Ext C&E Bulk Sewer System Works	4	Yes
ALMT18/2017 - Upgrading of the sewer reticulation system in Carolina and the refurbishment of the Silobela sewer system	15, 21 & 22	No
Upgrading of the Carolina WWTW and Silobela Ext 4 sewer reticulation network	15, 21 & 22	No
Electricity		
ALMT37/2020 - Bulk Electrical Infrastructure	1-25	No
ALMT13/2021 - Installation of Highmast	1,2,4,6,7,8,9,16,18,20 & 21	Yes
Housing		
None		
None		
Refuse removal		
ALMT02/2017 - Purchase of the three (3) Specialised Waste Management Vehicles for CALM		Yes
ALMP03/2022 - Construction of Badplass Landfill site	17&23	Yes
Road transport & Stormwater		

ALMT04/2022 - Construction of Carolina Collector Access Roads	15	Yes
ALMT 03/2022 - Construction of Dundonald Collector Access Roads	5	Yes
ALMT 07/2019 - Construction of Fernie Collector Access Roads	3	Yes
ALMP01/2022 - Construction of Nhlazatshe 3 Collector Access Roads	17 & 23	Yes
ALMT25/2020 - Construction of Nhlazatshe Collector Access Road	7	Yes
ALMP02/2022 - Construction of Nhalzatshe Collector Access Road	10	Yes
Economic development		
None		
None		
Sports, Arts & Culture		
None		
None		
Environment		
None		
None		
Health		
None		
None		
Safety and Security		
None		
None		
ICT and Other		
None		
None		

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)				
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				*T P*

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

Service Backlogs Experienced by the Commmunity 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:		
Housing:		
Licencing and Testing Centre:		
Reseviors		
Schools (Primary and High):		
Sports Fields:		
		T Q

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

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
* Loans/Grants - whether in cash or in kind				T R

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		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
** Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.*		
		T S

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Chief Albert Luthuli Local Municipality
(Registration number MP301)
Annual Financial Statements
for the year ended 30 June 2023

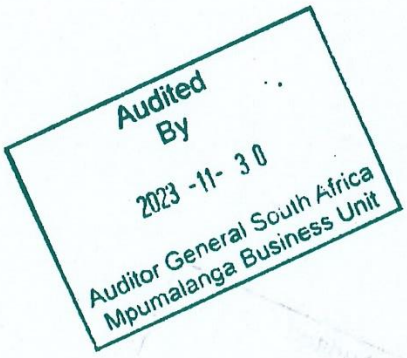


Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2023

General Information

	Hlophe M.P Nkambule T.P Hlatshwayo C.S Zwane F.C
Grading of local authority	Grade 4
Chief Finance Officer (CFO)	Matshemo Magret Sekgobela
Accounting Officer	Mgijima Ephraim Thabethe
Registered office	28 Kerk Street Carolina 1185
Business address	28 Kerk Street Carolina 1185
Postal address	P.O Box 24 Carolina 1185
Bankers	Standard Bank of South Africa Limited
Auditors	Auditor-General of South Africa Registered Auditors
Attorneys	L Guzana Attorneys Mokoena Khulani Attorneys Mohlala Attorneys Mohale Attorneys



Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2023

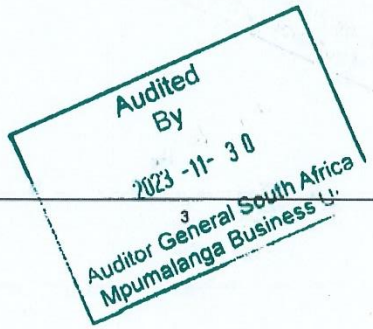
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The reports and statements set out below comprise the annual financial statements presented to the municipal council

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Abbreviations used:

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



Chief Albert Luthuli Local Municipality
(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Responsibilities and Approval

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

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

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

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

The Accounting Officer has reviewed the Municipality's cash flow forecast for the year ended 30 June 2024 and, in the light of this review and the current financial position, he is satisfied that the Municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external Auditors are responsible for independently auditing and reporting on the Municipality's Annual Financial Statements. The Annual Financial Statements have been audited by the Municipality's external Auditors and their report is presented on page 7.

The Annual Financial Statements set out on pages 8-84 which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August 2023 and were signed on it's behalf by:

Mgijima Ephraim Thabethe
(Pr. Tech. Eng)

Audited
By
2023 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2023

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2023.

Audit committee members and attendance

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

Name of member	Number of meetings attended
Mokgope Phetego (BCOM HONS, CTA, Professional Accountant (SA)) (Newly appointed)	2
Boitumelo Vilankulu (Newly appointed)	2
Obed Thenga (BCOM HONS, CGAP, MFMP)	7
Anil Singh (RGFP, ICMA, MFMP)	8
Stanley Ngobeni (Professional Accountant, SA Tax Professional, RGA	7
Siyakhula Simelane	7

Audit committee responsibility

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

The effectiveness of internal control

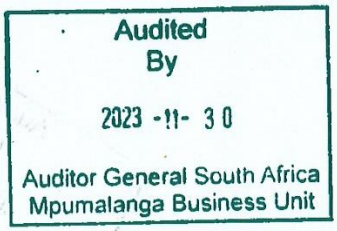
Our review of the internal control environment revealed that there has been a room for improvement in the system of internal controls of the municipality and reducing matters of emphasis and non-compliance issues of the previous year. Furthermore, there are several deficiencies in the system of internal control and/or deviations that were reported by the internal auditors and the Auditor-General. However, the audit committee notes management's commitment and action plan to correct deficiencies.

In-year management and monthly/quarterly report

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

Performance management

The audit committee reviewed functionality of the performance management system and it appears to be somewhat functional however, there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timeously.



Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2023

Audit Committee Report

Risk management

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

Compliance with laws and regulations

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

Internal Audit

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

Progress in implementation of AGSA findings from prior year

AGSA recommendations were not fully implemented by management at the time of this report, the progress was sitting at 96% in terms of implementation. There is a room for improvement in this regard and the audit committee recommended to the municipality to prioritise the implementation of recommendations by AGSA

Progress on implementations of internal audit recommendations

A material number of internal audit recommendations were implemented by management. There is a room for improvement in this regard and thus, the audit committee recommended to the municipality to prioritise the implementation of recommendations by Internal Audit.

Implementations of audit committee recommendations by management

A material number of audit committee recommendations to management were implemented. The progress was sitting at 96% in terms of implementation. There is a room for improvement in this regard and thus, the audit committee recommended to the municipality to fast track the implementation of recommendations by audit committee.

Conclusion

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

Chairperson of the Audit Committee
Ms Phethego Mokgope

Audited By
2023 -11- 30
Auditor General South Afric

Chief Albert Luthuli Local Municipality
(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2023.

1. Review of activities

Main business and operations

The municipality is engaged in the provision of basic municipal services and operates principally in South Africa..

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

We draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus (deficit) of R 2,111,822,113 and that the municipality's total assets exceed its liabilities by R 2,205,886,214.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

Munsoft was appointed as a financial system provider for implementation of a mSCOA compliant financial system after 30 June 2023.=

The investigation into unauthorized, irregular and fruitless and wasteful expenditure was concluded after 30 June 2023

From the 28th of July 2023, the municipality did not have access to the Inzalo Enterprise Management System due to disputes with the financial system provider.

4. Accounting policies

The annual financial statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations of such statements issued by the Accounting Standards Board.

5.

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality
Mgijima Ephraim Thabethe	South African



Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	4,083,119	26,249,736
Receivable from exchange transactions	4	58,625,538	42,336,284
Statutory receivables	5	85,205,259	83,936,042
Other receivables from non-exchange transactions	6	309,717	309,717
Inventories	7	4,975,140	4,495,740
Investments	8	4,470,413	4,155,292
Operating lease asset	9	6,922	2,379
		157,676,108	**161,485,190**
Non-Current Assets			
Operating lease asset	9	38,487	44,537
Investments	8	477,997	446,723
Investment property	10	41,948,000	40,750,400
Property, plant and equipment	11	2,285,445,930	2,047,901,996
		2,327,910,414	**2,089,143,656**
Total Assets		**2,485,586,522**	**2,250,628,846**
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	168,773,450	146,322,273
Finance lease obligation	13	1,155,349	2,919,289
Unspent conditional grants and receipts	14	4,050,000	7,414,736
Employee benefit obligation	16	958,000	900,000
Long service award	17	1,675,000	1,441,000
		176,611,799	**158,997,298**
Non-Current Liabilities			
Finance lease obligation	13	226,551	1,381,500
Employee benefit obligation	16	8,406,000	8,887,001
Provisions	15	84,733,958	82,049,138
Long service award	17	9,722,000	9,475,999
		103,088,509	**101,793,638**
Total Liabilities		**279,700,308**	**260,790,936**
Net Assets		**2,205,886,214**	**1,989,837,910**
Social responsibility		9,363,638	7,307,614
Reserves			
Revaluation reserve		84,700,463	84,700,463
Accumulated surplus		2,111,822,113	1,897,829,833
Total Net Assets		**2,205,886,214**	**1,989,837,910**



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Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	18	60,992,144	63,124,189
Rental income- facilities		534,971	681,321
Interest received from exchange transactions - consumers	19	17,446,357	13,646,168
Licences and permits		18,982	15,576
Other income	20	4,449,232	2,901,570
Interest received - investment		9,546,487	4,997,453
Fair value adjustments	21	1,280,241	3,529,049
Total revenue from exchange transactions		**94,268,414**	**88,895,326**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	63,126,967	75,928,249
Interest received from non-exchange transactions - consumers	19	18,672,000	30,701,331
Transfer revenue			
Government grants & subsidies	23	759,759,706	798,244,837
Donations	24	4,291,350	535,480
Traffic fines		5,377,250	8,992,450
Total revenue from non-exchange transactions		**851,227,273**	**914,402,347**
Total revenue		**945,495,687**	**1,003,297,673**
Expenditure			
Employee related costs	25	(234,000,455)	(214,401,483)
Remuneration of councillors	26	(21,751,896)	(20,318,647)
Depreciation and amortisation	11	(55,907,251)	(53,543,016)
Impairment Loss	11	(17,621,726)	(1,810,178)
Finance costs	27	(11,266,058)	(10,174,558)
Debt Impairment		(13,367,620)	(17,950,865)
Bad debts written off		(3,644,058)	(12,180,221)
Bulk purchases	28	(98,790,469)	(93,325,030)
Contracted services	29	(159,301,408)	(177,019,810)
Grants and subsidies expenditure		(13,541,310)	(16,205,151)
Loss on disposal of assets and liabilities	11	(537,642)	(1,217,677)
Inventories consumed		-	(821,150)
General Expenses	30	(101,889,891)	(79,271,869)
Total expenditure		**(731,619,784)**	**(698,239,655)**
Surplus for the year		**213,875,903**	**305,058,018**



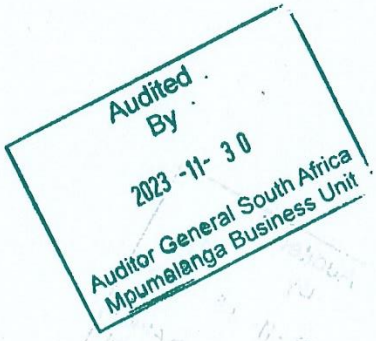
Chief Albert Luthuli Local Municipality

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Statement of Changes in Net Assets

Figures in Rand	Social Responsiblity	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	-	84,700,463	1,656,132,176	1,740,832,639
Adjustments				
Prior year adjustments 48	5,100,502	-	(60,679,518)	(55,579,016)
Balance at 01 July 2021 as restated*	**5,100,502**	**84,700,463**	**1,592,771,815**	**1,682,572,780**
Changes in net assets				
Contribution	2,207,112	-	-	2,207,112
Contribution	2,207,112	-	-	2,207,112
Surplus for the year	-	-	305,058,018	305,058,018
Total recognised income and expenses for the year	2,207,112	-	305,058,018	307,265,130
Total changes	2,207,112	-	305,058,018	307,265,130
Restated* Balance at 01 July 2022	**7,307,614**	**84,700,463**	**1,897,946,210**	**1,989,954,287**
Changes in net assets				
Contribution	2,056,024	-	-	2,056,024
Contribution	2,056,024	-	-	2,056,024
Surplus for the year	-	-	213,875,903	213,875,903
Total recognised income and expenses for the year	2,056,024	-	213,875,903	215,931,927
Total changes	2,056,024	-	213,875,903	215,931,927
Balance at 30 June 2023	**9,363,638**	**84,700,463**	**2,111,822,113**	**2,205,886,214**

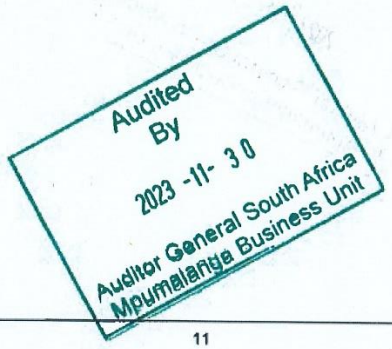
Note(s)



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Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Service Charges		135,913,277	128,634,365
Government grants and Subsidies		756,394,970	795,051,549
Interest income		9,546,487	4,997,453
Other receipts		3,593,185	3,598,467
		905,447,919	932,281,834
Payments			
Employee costs		(250,860,238)	(233,390,773)
Suppliers		(361,035,510)	(337,296,842)
Finance costs		(2,836,283)	(2,475,021)
		(614,732,031)	(573,162,636)
Net cash flows from operating activities	32	**290,715,888**	**359,119,198**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(308,985,469)	(379,373,855)
Movement in operating lease		-	6,504
Movement in Investment		(429,036)	(166,968)
Net cash flows from investing activities		**(309,414,505)**	**(379,534,319)**
Cash flows from financing activities			
Finance lease payments		(3,468,000)	(4,994,280)
Net increase/(decrease) in cash and cash equivalents		**(22,166,617)**	**(29,823,625)**
Cash and cash equivalents at the beginning of the year		26,249,736	56,073,361
Cash and cash equivalents at the end of the year	3	**4,083,119**	**26,249,736**



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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	128,584,774	(273)	128,584,501	60,992,144	(67,592,357)	47
Rental income	142,361	937,639	1,080,000	534,971	(545,029)	47
Interest received from exchange transactions	12,938,284	(1,150,561)	11,787,723	17,446,357	5,658,634	47
Licences and permits	-	214,000	214,000	18,982	(195,018)	47
Other income	932,432	1,000,001	1,932,433	4,449,232	2,516,799	47
Interest received - investment	2,386,491	-	2,386,491	9,546,487	7,159,996	47
Total revenue from exchange transactions	**144,984,342**	**1,000,806**	**145,985,148**	**92,988,173**	**(52,996,975)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	116,197,186	2,250,983	118,448,169	63,126,967	(55,321,202)	47
Interest received from non-exchange transactions	25,104,318	(3,538,061)	21,566,257	18,672,000	(2,894,257)	47
Transfer revenue						
Government grants & subsidies	730,055,000	-	730,055,000	759,759,706	29,704,706	47
Donations	-	-	-	4,291,350	4,291,350	47
Fines, Penalties and Forfeits	213,634	499,999	713,633	5,377,250	4,663,617	47
Total revenue from non-exchange transactions	**871,570,138**	**(787,079)**	**870,783,059**	**851,227,273**	**(19,555,786)**	
Total revenue	**1,016,554,480**	**213,727**	**1,016,768,207**	**944,215,446**	**(72,552,761)**	
Expenditure						
Employee related Costs	(187,664,503)	(45,526,619)	(233,191,122)	(234,000,455)	(809,333)	47
Remuneration of councillors	(30,534,651)	8,782,755	(21,751,896)	(21,751,896)	-	47
Depreciation and amortisation	(38,058,022)	-	(38,058,022)	(55,907,251)	(17,849,229)	47
Impairment loss	-	-	-	(17,621,726)	(17,621,726)	47
Finance costs	(1,794,407)	(7,000,711)	(8,795,118)	(11,266,058)	(2,470,940)	47
Debt Impairment	(50,113,720)	36,746,100	(13,367,620)	(13,367,620)	-	47
Bad debts written off	-	(3,644,058)	(3,644,058)	(3,644,058)	-	47
Bulk purchases	(101,897,752)	3,107,283	(98,790,469)	(98,790,469)	-	47
Contracted Services	(210,419,447)	51,118,039	(159,301,408)	(159,301,408)	-	47
Grants and subsidies expenditure	-	(12,500,000)	(12,500,000)	(13,541,310)	(1,041,310)	47
General Expenses	(57,968,692)	(43,925,000)	(101,893,692)	(101,889,891)	3,801	47
Capital expenditure	(337,596,000)	-	(337,596,000)	(359,496,001)	(21,900,001)	47
Total expenditure	**(1,016,047,194)**	**(12,842,211)**	**(1,028,889,405)**	**(1,090,578,143)**	**(61,688,738)**	
Operating deficit	**507,286**	**(12,628,484)**	**(12,121,198)**	**(146,362,697)**	**(134,241,499)**	
Loss on disposal of assets and liabilities	-	-	-	(537,642)	(537,642)	47
Fair value adjustments	-	-	-	1,280,241	1,280,241	47

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Chief Albert Luthuli Local Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	-	-	-	742,599	742,599	
Deficit before taxation	**507,286**	**(12,628,484)**	**(12,121,198)**	**(145,620,098)**	**(133,498,900)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**507,286**	**(12,628,484)**	**(12,121,198)**	**(145,620,098)**	**(133,498,900)**	



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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	6,569,887	-	6,569,887	4,083,119	(2,486,768)	47
Receivables from exchange transactions	100,536,877	-	100,536,877	58,625,538	(41,911,339)	
Statutory receivables	66,680,204	-	66,680,204	85,205,259	18,525,055	
Inventories	4,239,024	-	4,239,024	4,975,140	736,116	
Investments	3,734,940	-	3,734,940	4,470,413	735,473	
Operating lease asset	1,027,426	-	1,027,426	6,922	(1,020,504)	
Other receivables from non-exchange transactions	-	-	-	309,717	309,717	
	182,788,358	-	182,788,358	157,676,108	(25,112,250)	
Non-Current Assets						
Operating lease asset	309,717	-	309,717	38,487	(271,230)	
Investments	812,662	-	812,662	477,997	(334,665)	
Investment property	37,114,000	-	37,114,000	41,948,000	4,834,000	
Property, plant and equipment	1,405,457,921	-	1,405,457,921	2,285,445,930	879,988,009	
	1,443,694,300	-	1,443,694,300	2,327,910,414	884,216,114	
Total Assets	1,626,482,658	-	1,626,482,658	2,485,586,522	859,103,864	
Liabilities						
Current Liabilities						
Payables from exchange transactions	481,028	-	481,028	168,773,451	168,292,423	
Finance lease obligation	138,079,619	-	138,079,619	1,155,349	(136,924,270)	
Unspent conditional grants and receipts	-	-	-	4,050,000	4,050,000	
Employee benefit obligation	-	-	-	958,000	958,000	
Long service award	-	-	-	1,675,000	1,675,000	
	138,560,647	-	138,560,647	176,611,800	38,051,153	
Non-Current Liabilities						
Finance lease obligation	-	-	-	226,551	226,551	
Employee benefit obligation	-	-	-	8,406,000	8,406,000	
Provisions	114,878,550	-	114,878,550	84,733,958	(30,144,592)	
Long service award	-	-	-	9,722,000	9,722,000	
	114,878,550	-	114,878,550	103,088,509	(11,790,041)	
Total Liabilities	253,439,197	-	253,439,197	279,700,309	26,261,112	
Net Assets	1,373,043,461	-	1,373,043,461	2,205,886,213	832,842,752	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Social responsibility	-	-	-	9,363,638	9,363,638	

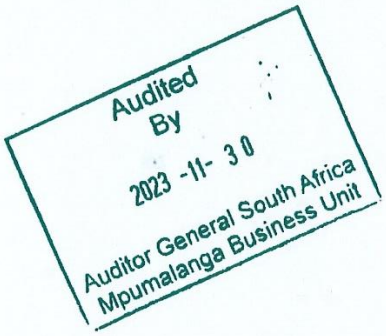
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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reserves						
Revaluation reserve	84,700,463	-	84,700,463	84,700,463	-	
Accumulated surplus	1,288,436,123	-	1,288,436,123	2,111,822,114	823,385,991	
Total Net Assets	**1,373,136,586**	**-**	**1,373,136,586**	**2,205,886,215**	**832,749,629**	



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Accounting Policies

Figures in Rand	Notes	2023	2022

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003)

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand

A Summary of significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgments and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgemental is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgments include:

Receivables
The municipality assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Distribution losses
Distribution losses were assessed and management determined the estimate after consultation with management experts. The adjustment was based on available information. Additional disclosure has been included in note 28.

Provisions
Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15.

Useful lives of property, plant and equipment and other assets
The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.

Post-retirement benefits
The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement benefit obligations. In determining the appropriate discount rate, the municipality considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for post retirement obligations are based on current market conditions. Additional information is disclosed in note 16.

Effective interest rate
The municipality used the CPI to discount future cash flows except where stated otherwise.

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Accounting Policies

1.2 Significant judgments and sources of estimation uncertainty (continued)

Allowance for impairments
For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value. Refer to note 10

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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Accounting Policies

1.4 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Asset Class	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	10-50 years
Landfill site	Straight-line	0-100 years
Infrastructure	Straight-line	15-80 years
Community	Straight-line	10-50 years
Other assets	Straight-line	2-35 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit .

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

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1.5 Financial instruments

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade payables	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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1.5 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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Accounting Policies

1.5 Financial instruments (continued)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.6 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Classification

The municipality has the following types of statutory receivables as reflected on the face of the statement of financial position or in the notes thereto:

Class	Legislation
Property Rates	Municipal Property Rates Act 6 of 2004
Traffic fines	National Road Traffic Act 93 of 1996
VAT	VAT Act 89 of 1991

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest (calculated at a rate of prime plus 1) or other charges that may have accrued on the receivable
- impairment losses; and
- amounts derecognised.

Impairment losses

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1.6 Statutory receivables (continued)

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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1.7 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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1.8 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water is regarded as inventories when the municipality purchases water in bulk with the intention to resell it to consumers or to use it internally, or wherever the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes). However, water in water dams under control of the municipality, that are filled by natural resources and that has not been treated, cannot be measured reliably as there is no cost attached to the water , and is therefore not recognised as inventories.

1.9 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.9 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use, and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

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1.10 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 Social responsibility

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

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1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made

A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Post-employment benefits: Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested , and are otherwise amortised on a straight line basis over the average period

The amount recognised is the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

1.13 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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1.13 Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.9 and 1.10.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

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1.14 Commitments (continued)

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 Revenue from exchange transactions

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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1.16 Revenue from non-exchange transactions

Property Rates
The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis..

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Government grants

Government grants are recognised as revenue when:
- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective,which ever is earlier. When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:
- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality.
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:
- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;.
- expenditure from a vote unrelated to the department or functional area covered by the vote;

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1.19 Unauthorised expenditure (continued)

- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act..

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credit against accumulated surplus when retrospective adjustments are made.

1.23 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.24 Grants in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction,
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving raise to the transfer occurred.

1.25 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/07/01 to 2023/06/30.

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Accounting Policies

1.25 Budget information (continued)

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 44.

1.26 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed..

1.27 Events after reporting date

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.28 Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence's of liabilities that result in decreases in net assets, other than those relating to distributions to owners

Expenses are recognised as when they satisfy the definitions and recognition criteria for those elements in the Framework for the Preparation and Presentation of Financial Statement

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

2.2 Standards and interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

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2. New standards and interpretations (continued)

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	The impact of the is not material.
• GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the is not material.
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	The impact of the is not material

2.3 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Expected impact is a change in the measurement of impairment as well as a change in the disclosures of financial instruments
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	(1,334,882)	2,142,994
Other cash and cash equivalents	5,418,001	24,106,742
	4,083,119	**26,249,736**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

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3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
Standard bank-CurrentAccount-033255954	782,497	1,943,126	512,743	(1,450,937)	1,980,360	512,743
Standard bank-CurrentAccount-31686648	116,052	162,634	194,965	116,055	162,632	194,965
Standard bank-InvestmentAccount-308654552-001	39,063	553,668	18,155,068	39,060	553,668	18,155,068
Standard bank-InvestmentAccount-038478668-002	221,700	4,013,503	1,007,826	221,700	4,013,503	1,007,826
Standard bank-InvestmentAccount-038478668-003	3,156,312	148,780	6,037,495	3,156,313	148,780	6,037,495
Standard bank-InvestmentAccount-038478668-004	346,785	14,255,365	11,542,547	346,785	14,255,365	11,542,547
Standard bank-InvestmentAccount-034878668-005	924,146	5,119,123	18,597,744	924,146	5,119,123	18,597,744
Standard bank-InvestmentAccount-038478668-006	729,997	16,303	21,325	729,997	16,303	21,325
Total	**6,316,552**	**26,212,502**	**56,069,713**	**4,083,119**	**26,249,734**	**56,069,713**

Call accounts summary

Standard bank- Investment Account-308654552-001	39,063	553,668
Standard bank- Investment Account-038478668-002	221,700	4,013,503
Standard bank- Investment Account-038478668-003	3,156,312	148,780
Standard bank- Investment Account-038478668-004	346,785	14,255,365
Standard bank- Investment Account-034878668-005	924,146	5,119,123
Standard bank- Investment Account-038478668-006	729,997	16,303
	5,418,003	**24,106,742**

4. Receivables from exchange transactions

Gross balances		
Electricity	17,331,165	18,276,314
Water	42,010,090	32,360,637
Sewerage	89,204,775	79,285,704
Refuse	77,060,172	67,696,138
Auctioneer	918,659	918,659
Prepaid Electricty Vendor	1,485,294	1,485,294
Other	5,553,426	1,387,912
	233,563,581	**201,410,658**

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4. Receivables from exchange transactions (continued)		
Less: Allowance for impairment		
Electricity	(13,115,959)	(12,570,895)
Water	(31,792,588)	(24,398,569)
Sewerage	(67,508,799)	(65,605,178)
Refuse	(58,317,950)	(55,678,116)
Other	(4,202,747)	(821,616)
	(174,938,043)	**(159,074,374)**
Net balance		
Electricity	4,215,206	5,705,419
Water	10,217,502	7,962,068
Sewerage	21,695,976	13,680,526
Refuse	18,742,222	12,018,022
Auctioneer	918,659	918,659
Prepaid Electricity Vendor	1,485,294	1,485,294
Other	1,350,679	566,296
	58,625,538	**42,336,284**
Electricity		
Current (0 -30 days)	1,816,040	1,933,690
31 - 60 days	832,616	941,162
61 - 90 days	949,323	736,486
> 90 days	13,733,187	14,664,976
Less allowance for impairment	(13,115,959)	(12,570,895)
	4,215,207	**5,705,419**
Water		
Current (0 -30 days)	1,593,215	1,264,308
31 - 60 days	1,506,457	1,233,422
61 - 90 days	1,282,355	1,282,350
> 90 days	37,628,064	28,580,557
Less allowance for impairment	(31,792,589)	(24,398,569)
	10,217,502	**7,962,068**
Sewerage		
Current (0 -30 days)	1,645,974	1,214,957
31 - 60 days	1,349,458	1,159,515
61 - 90 days	1,507,981	1,050,746
>90 days	84,701,362	75,860,486
Less allowance for impairment	(67,508,799)	(65,605,179)
	21,695,976	**13,680,525**
Refuse		
Current (0 -30 days)	1,825,172	1,143,699
31 - 60 days	1,349,673	1,077,821
61 - 90 days	1,369,108	1,027,612
>90 days	72,516,219	64,447,005
Less allowance for impairment	(58,317,950)	(55,678,116)
	18,742,222	**12,018,021**
Auctioneer		
> 365 days	918,659	918,659

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4. Receivables from exchange transactions (continued)		
Prepaid Electricity Vendor		
> 365 days	1,485,294	1,485,294
Other		
Current (0 -30 days)	159,443	196,098
31 - 60 days	48,355	59,426
61 - 90 days	46,277	208,352
>90 days	5,299,351	924,036
Less allowance for impairment	(4,202,747)	(821,616)
	1,350,679	**566,296**
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	5,334,538	1,154,521
31 - 60 days	4,197,630	3,772,626
61 - 90 days	3,905,893	3,553,842
> 90 days	192,114,739	168,130,574
	205,552,800	176,611,563
Less: Allowance for impairment	(191,937,082)	(162,320,843)
	13,615,718	**14,290,720**
Industrial/ commercial		
Current (0 -30 days)	787,474	422,590
31 - 60 days	597,892	585,286
61 - 90 days	1,076,398	680,780
> 90 days	14,529,785	14,230,680
121 - 365 days	(14,382,842)	(13,085,170)
	2,608,707	**2,834,166**
National and provincial government		
Current (0 -30 days)	917,831	(5,924,453)
31 - 60 days	291,037	534,793
61 - 90 days	172,753	541,651
> 90 days	7,233,658	33,773,059
	8,615,279	**28,925,050**
Total		
Current (0 -30 days)	7,039,843	(4,347,342)
31 - 60 days	5,086,558	4,892,704
61 - 90 days	5,155,044	4,776,272
> 90 days	213,878,183	216,134,313
	231,159,628	221,455,947
Less: Allowance for impairment	(206,319,923)	(175,406,013)
	24,839,705	**46,049,934**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(159,074,374)	(186,794,327)
Contributions to allowance	(15,863,669)	8,779,011
Reversal of allowance	-	18,940,942
	(174,938,043)	**(159,074,374)**

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4. Receivables from exchange transactions (continued)

Consumer debtors pledged as security

None of the consumer debtors were pledged as security.

Credit quality of consumer debtors

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

5. Statutory receivables

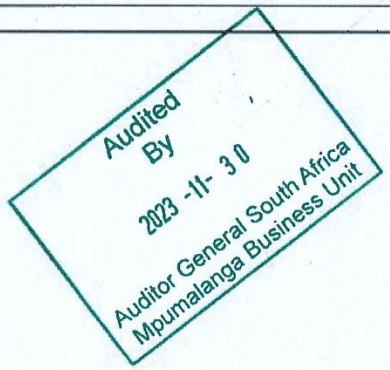
Gross balances		
Property Rates	259,227,839	269,932,656
Traffic Fines	10,198,335	50,619,720
VAT Receivable	21,329,322	12,683,682
	290,755,496	**333,236,058**
Less: Allowance for impairment		
Property Rates	(196,179,633)	(198,871,923)
Traffic Fines	(9,370,604)	(50,428,093)
	(205,550,237)	**(249,300,016)**
Net balance		
Property Rates	63,048,206	71,060,733
Traffic Fines	827,731	191,627
VAT Receivable	21,329,322	12,683,682
	85,205,259	**83,936,042**
Property Rates		
Current (0 -30 days)	38,252,341	8,654,269
31 - 60 days	5,168,188	5,927,029
61 - 90 days	4,683,457	5,205,859
>90 days	211,123,853	231,072,252
Less allowance for impairment	(196,179,633)	(198,871,924)
	63,048,206	**51,987,485**
Traffic Fines		
Current (0 -30 days)	478,387	274,097
31 - 60 days	774,236	780,793
61 - 90 days	643,641	695,139
> 90 days	8,302,070	48,869,690
Less allowance for impairment	(9,370,603)	(50,428,092)
	827,731	**191,627**

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5. Statutory receivables (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	9,792,343	3,184,281
31 - 60 days	1,834,042	2,073,579
61 - 90 days	1,927,852	1,888,261
> 90 days	96,462,188	106,822,241
	110,016,425	113,968,362
Less: Allowance for impairment	(93,800,177)	(86,276,735)
	16,216,248	**27,691,627**
Industrial/ commercial		
Current (0 -30 days)	4,896,701	2,736,220
31 - 60 days	1,941,125	2,121,352
61 - 90 days	2,100,497	1,978,391
>90 days	88,398,464	99,708,493
	97,336,787	106,544,456
Less: Allowance for impairment	(92,697,370)	(99,522,782)
	4,639,417	**7,021,674**
National and provincial government		
Current (0 -30 days)	23,563,297	4,089,588
31 - 60 days	1,393,021	2,997,855
61 - 90 days	655,109	2,552,952
> 90 days	26,263,201	98,450,571
	51,874,628	**108,090,966**
Total		
Current (0 -30 days)	38,252,341	10,010,088
31 - 60 days	5,168,188	7,192,786
61 - 90 days	4,683,457	6,419,604
91 - 120 days	211,123,853	304,981,305
	259,227,839	328,603,783
Less: Allowance for impairment	(186,497,548)	(185,799,517)
	72,730,291	**142,804,266**



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5. Statutory receivables (continued)

Reconciliation of allowance for impairment		
Balance at beginning of the year	(198,871,925)	(641,862,817)
Contributions to allowance	2,692,292	(2,539,675)
Reversal of allowance	-	445,530,569
	(196,179,633)	**(198,871,923)**

Property rates are levied in accordance with the Municipal Property Rates Act. Property rates are levied using the valuation roll which came into effect on 1 July 2020.

Traffic fines are charged for traffic violations in accordance with the National Road Traffic Act

VAT Receivable arises as a result of Input VAT being higher than the Output VAT in accordance with the VAT Act.

Statutory receivables pledged as security
None of the receivables were pledged as security

Credit quality of statutory receivables
The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

6. Other receivables from non-exchange transactions

Staff debtor	309,717	309,717

7. Inventories

Consumables	4,834,385	4,360,615
Water for distribution	140,755	135,125
	4,975,140	**4,495,740**
Reconciliation of inventory movement		
Opening balance	4,360,616	4,090,356
Purchased	1,439,122	1,391,166
Utilised	(965,352)	(1,120,906)
	4,834,386	**4,360,616**
Reconciliation of water stock movement		
Opening balance	135,126	148,669
Produced/ (consumed)	5,630	(13,543)
	140,756	**135,126**

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Inventory pledged as security

At year end no inventory has been pledged as security.

8. Investments

Designated at fair value		
Listed shares	772,671	700,105

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8. Investments (continued)

At amortised cost		
Sanlam: Guarantee Capital Fund - Policy number 9921774X7	136,677	126,602
RMB Momentum - Account number RU 500434741	341,320	320,121
Stanlib Classic Investment Plan - Account number IP0006247	824,584	764,281
Stanlib Extra Income Fund - Account number IP0006247	2,873,158	2,690,906
	4,175,739	**3,901,910**
Total other financial assets	**4,948,410**	**4,602,015**
Non-current assets		
At amortised cost	477,997	446,723
Current assets		
Designated at fair value	772,671	700,105
At amortised cost	3,697,742	3,455,187
	4,470,413	**4,155,292**

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Financial assets at fair value

Listed shares are carried at fair value:

The municipality own 13242 shares in Sanlam Limited which was trading at R58.35 (2022: R52.87) per share at the end of the reporting period

None of the financial assets that are fully performing have been renegotiated in the last year.

The municipality has not reclassified any financial assets from assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Credit quality of investments

The credit qualify of financial assets neither past nor impaired can be by reference to external credit ratings (If available) or to historical information about counterparty default rates.

9. Operating lease asset

Non-current assets	38,487	44,537
Current assets	6,922	2,379
	45,409	**46,916**

At the reporting date the municipality has outstanding commitments under operating leases which fall due as follows:

Operating lease as a lessor		
Within one year	128,764	167,239
In the second to the fifth year	220,913	331,363
	349,677	**498,602**

Operating lease asset represents rentals receivable by the municipality for the premises/properties rented out.

The lease was negotiated for periods ranging from 24 months to 119 months. The rentals escalate on average between 6% and
10% per annum

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10. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	41,948,000	-	41,948,000	40,750,400	-	40,750,400

Reconciliation of investment property - 2023

	Opening balance	Fair value adjustments	Total
Investment property	40,750,400	1,197,600	41,948,000

Reconciliation of investment property - 2022

	Opening balance	Fair value adjustments	Total
Investment property	37,114,000	3,636,400	40,750,400

Pledged as security

At year end no investment property has been pledged as security

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

Valuations were performed by an independent valuer, DDP Valuers who are not connected to the municipality. DDP Valuers are registered with the South African Council for the Property Valuers Profession, and the South African Institute of Valuers

The valuation was based on open market value for existing use.

Rental revenue in surplus for the year	534,971	681,321



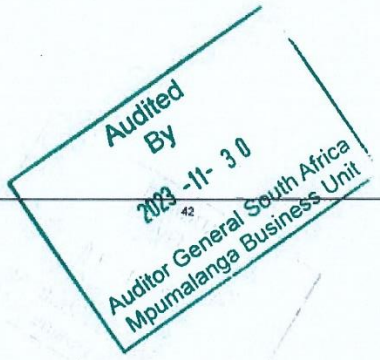
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11. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	114,447,700	-	114,447,700	114,447,700	-	114,447,700
Buildings	24,546,124	(5,346,666)	19,199,458	14,836,549	(4,958,945)	9,877,604
Infrastructure	2,820,870,945	(846,938,163)	1,973,932,782	2,541,016,784	(800,105,781)	1,740,911,003
Community	133,958,943	(30,911,947)	103,046,996	136,779,174	(27,209,205)	109,569,969
Landfill site	40,492,463	(20,309,903)	20,182,560	44,278,300	(19,099,168)	25,179,132
Other property, plant and equipment	91,749,033	(37,112,599)	54,636,434	78,729,724	(30,813,136)	47,916,588
Total	3,226,065,208	(940,619,278)	2,285,445,930	2,930,088,231	(882,186,235)	2,047,901,996



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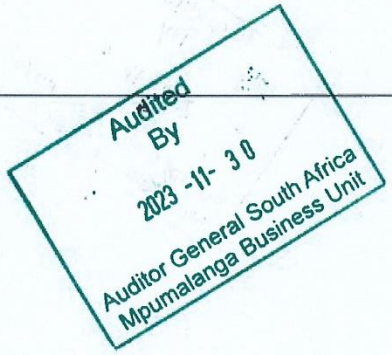
11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	114,447,700	-	-	-	-	-	114,447,700
Buildings	9,877,604	9,730,480	(2,625)	-	(358,018)	(47,983)	19,199,458
Community	109,569,969	783,544	-	-	(3,702,742)	(3,603,775)	103,046,996
Infrastructure	1,740,911,003	289,342,998	-	63,547	(42,462,100)	(13,922,666)	1,973,932,782
Landfill site	25,179,132	-	-	(3,785,837)	(1,210,735)	-	20,182,560
Other property, plant and equipment	47,916,588	15,475,821	(535,017)	-	(8,173,656)	(47,302)	54,636,434
	2,047,901,996	315,332,843	(537,642)	(3,722,290)	(55,907,251)	(17,621,726)	2,285,445,930

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	114,447,700	-	-	-	-	-	114,447,700
Buildings	4,423,594	5,803,969	(9,976)	-	(340,983)	-	9,877,604
Community	113,558,654	-	(257,362)	-	(3,731,323)	-	109,569,969
Infrastructure	1,416,297,823	366,283,950	(626,113)	(1,624,742)	(37,641,130)	(1,778,785)	1,740,911,003
Landfill site	43,676,695	-	-	(14,888,586)	(3,608,977)	-	25,179,132
Other property, plant and equipment	42,051,817	14,441,994	(325,227)	-	(8,220,603)	(31,393)	47,916,588
	1,734,456,283	386,529,913	(1,217,678)	(16,513,328)	(53,543,016)	(1,810,178)	2,047,901,996



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11. Property, plant and equipment (continued)

Pledged as security

None of the above property, plant and equipment have been pledged as security.

Change in estimate
In terms of the requirements of GRAP 17 the useful lives of all asset items were reviewed by management at year end. The remaining useful life expectations of some asset items differed from previous estimated. This resulted in a revision of some of the previous estimates which was accounted for as a change in estimate. The effect of this revision is a decrease in depreciation charge for the current period R9 106 066 (2022 :R2 984 742).

The future impact of the revision will be a decrease in the depreciation charge amounting to R12 598 704.13

Long outstanding capital projects

The following previously halted projects were impaired during the current financial year:

The projects were on the design phase, the planning designs were completed, and due to funding constraint the implementation was stopped.

Project name		
Community halls	3,603,775	-
Refurbishment of Carolina water waste P20/2014	5,000,935	-
Upgrade Eerstehoek water scheme	1,500,000	-
Extension of bulk sewer network at eManzana	2,024,663	-
Construction of water infrastructure for Nhlazatshe	90,149	-
Construction of Elukwatini G water reticulation	56,838	-
Supply of pipeline and raised tank for Nhlazatshe	69,082	-
Construction of water reticulation	810,717	-
	13,156,159	**-**

Reconciliation of Work-in-Progress 2023

	Included within Infrastructure	Included within Community	Included within Buildings	Total
Opening balance	511,654,489	3,603,774	3,252,553	518,510,816
Additions/capital expenditure	289,342,998	783,543	9,730,116	299,856,657
Impairments	(9,552,384)	(3,603,774)	-	(13,156,158)
Completed items	(326,543,195)	-	(12,982,669)	(339,525,864)
	464,901,908	**783,543**	**-**	**465,685,451**

Reconciliation of Work-in-Progress 2022

	Included within Infrastructure	Included within Community	Included within Buildings	Total
Opening balance	375,062,005	3,603,774	-	378,665,779
Additions/capital expenditure	361,220,929	-	3,252,553	364,473,482
Other movements	(13,656,481)	-	-	(13,656,481)
Completed items	(210,971,964)	-	-	(210,971,964)
	511,654,489	**3,603,774**	**3,252,553**	**518,510,816**

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11. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Maintenance of equipment	44,569,638	40,154,451
Maintenance of other assets	4,197,215	3,941,692
Maintenance of buildings	3,223,551	521,750
	51,990,404	**44,617,893**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

12. Payables from exchange transactions

Trade payables	24,616,517	23,402,454
Unallocated deposits	2,372,717	450,051
Prepaid electricity	472,056	121,346
Consumer deposits	488,040	484,950
Income received in advance	61,221,643	48,400,093
Payroll accruals- 13th Cheque	4,313,493	4,074,861
Leave	18,480,412	17,643,350
Retentions	54,030,742	49,599,336
Payroll provision	2,777,830	2,145,832
	168,773,450	**146,322,273**

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13. Finance lease obligation

Minimum lease payments due		
- within one year	1,339,139	3,468,000
- in second to fifth year inclusive	220,692	1,559,431
	1,559,831	5,027,431
less: future finance charges	(177,931)	(726,643)
Present value of minimum lease payments	**1,381,900**	**4,300,788**
Present value of minimum lease payments due		
- within one year	1,155,749	2,919,289
- in second to fifth year inclusive	226,151	1,381,500
	1,381,900	**4,300,789**
Non-current liabilities	226,551	1,381,500
Current liabilities	1,155,349	2,919,289
	1,381,900	**4,300,789**

The average lease term was 3 years and the average effective borrowing rate was 9% (2022: 9%).

Interest rates are fixed at the contract date.

Some leases have fixed repayment terms and others escalate between 0% per annum. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

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14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Data Cleansing Grant	-	7,414,736
Disaster Relief Grant	4,050,000	-
	4,050,000	**7,414,736**
Movement during the year		
Balance at the beginning of the year	7,414,728	10,608,024
Additions during the year	756,394,974	445,816,549
Income recognition during the year	(759,759,702)	(449,009,837)
	4,050,000	**7,414,736**



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15. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Total
Provision for rehabilitation	82,049,138	2,684,820	84,733,958

Reconciliation of provisions - 2022

	Opening Balance	Additions	Reversed during the year	Total
Provision for rehabilitation	90,256,227	6,681,497	(14,888,586)	82,049,138

Provision for Rehabilitation

This report consolidates the provision of the final rehabilitation and closure costs for the landfills controlled by Chief Albert Luthuli Local Municipality the period ending 30 June 2023.

The following landfills are included in this consolidated report:

- Carolina (new)
- Carolina (old)
- Ekulindeni
- Elukwatini
- eManzana
- Empuluzi

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General Landill Closure Costing Model

ESS has developed a General Landfill Closure Costing Model (GLCCM) to estimate the final rehabilitation and closure costs for general landfills. The GLCCM is being updated in cooperation with Jones and Wagener Consulting Civil Engineers (Pty) Ltd, a company that is actively involved in rehabilitation and closure of landfill sites. The GLCCM standardises the determination of landfill closure costs between different landfills and for the same landfill over time. The GLCCM is based on the Minimum Requirements for Waste Disposal by Landfill of the Department of Water Affairs (1998), as amended by more recent regulations. The GLCCM provides a reliable best possible estimate of closure costs in terms of paragraph .49 of GRAP 19 or paragraph 36 of IAS 37.

An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph .61.

- Pre-closure planning and approvals (four cost elements)t
- Final rehabilitation and closure (seven cost elements)
- 30 years post-closure monitoring (seven costs elements)t

Financial Assumptions used

Unit Costs
Unit costs for each of the cost elements are obtained annually by means of a commercial quotation. Details of this are provided separately.

CPI
The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last quarter amounted to 6.1716%..

Discount Rate .
GRAP 19 states that where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material.

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15. Provisions (continued)

GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality).

Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation-linked rates are used.

The rate most consistent with the remaining life of the landfills published at the end of the quarter that includes the financial year-end date was used..

- For landfills with an expected remaining life of three years or less, the rate associated with a maximum period of 3 years is used.
- For landfills with an expected remaining life of four of five years, the rate associated with a maximum period of 5 years is used.
- For landfills with an expected remaining life of more than five years, the rate associated with a maximum period of 10 years is used

Calculation of Closure Costs

Key Financial assumptions used .

Assumption	For Carolina (old), eManzana and Empuluzi landfills	For Ekulindeni landfill	For Carolina (new) and Elukwatini landfills
CPI	6,1716%	6.1716%	6.1716%
Discount rate	10.6716%	10.9216%	11.4216%
Net effective discount rate	4.5%	4.75%	5.25%

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15. Provisions (continued)

Discounting of Closure Costs

The discounted value of the liability for the closure of the landfills is shown in the table below:

Description		
Landfill Closure provision	84,733,958	82,049,138
Interest charge	7,880,664	6,681,498
	92,614,622	**88,730,636**

The landfill closure provision is calculated as the net present value of future cash flows.

The interest charge is calculated as the product of the provision calculated in the previous year and the discount rate used in the previous year for each landfill.

Current and non-current Liabilities

Current and non-current discounted liability for landfill closure costs:

Current Liability	-	-
Non-current liability	84,733,958	82,049,138
	84,733,958	**82,049,138**

Disclosures

Disclosure in the Statement of Financial performance or the notes thereto		
Change in landfill closure provision	(5,195,844)	(14,888,587)
Interest charge	7,880,664	6,681,498
	2,684,820	**(8,207,089)**

Disclosure in the statement of financial Position or the notes thereto		
Opening Balance	82,049,138	90,256,227
Change in landfill closure provision	(5,195,844)	(14,888,587)
Interest charge	7,880,664	6,681,498
	84,733,958	**82,049,138**

16. Employee benefit obligations

Defined benefit plan

No further employees are entitled to a post-employment medical aid subsidy. Continuation members and their eligible dependants receive a subsidy of 100%, except for two members who receive a 70% subsidy.

Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

The post-employment subsidies are not limited to any maximum rand value/subsidy.

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16. Employee benefit obligations (continued)

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	9,364,000	9,787,000
Non-current liabilities	8,406,000	8,887,001
Current liabilities	958,000	900,000
	9,364,000	**9,787,001**

Changes in the fair value of plan assets are as follows:

Opening balance	9,787,000	9,841,000
Interest costs	1,022,000	860,000
Actuarial gains/(losses)	(509,160)	(26,575)
Benefits paid	(935,840)	(887,425)
	9,364,000	**9,787,000**

Net expense recognised in the statement of financial performance

Interest cost	1,022,000	860,000
Actuarial (gains)/losses	(509,160)	(26,575)
	512,840	**833,425**

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16. Employee benefit obligations (continued)

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Key assumptions used

Assumptions used at the reporting date:

Discount rate	11.08 %	10.93 %
Health care cost inflation rate	6.97 %	7.84 %
Net discount rate	3.84 %	2.87 %

Financial Assumptions

It is difficult to predict future investment returns and health care cost inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at the valuation date for the period over which the liability obligations are to be settled.

Discount Rate
GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.08% per annum has been used. The corresponding index-linked yield at this term is 4.84%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2023.

Health Care Cost Inflation Rate
This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A health care cost inflation rate of 6.97% has been assumed. This is 1.50% in excess of expected CPI inflation over the expected term of the liability, namely 5.47%. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 3.84% which derives from ((1+11.08%)/(1+6.97%))-1.

The CPI inflation assumption of 5.47% was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (4.84%) and those of fixed interest bonds (11.08%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was therefore determined as follows: ((1+11.08%-0.50%)/(1+4.84%))-1.

Demographic Assumptions

Demographic assumptions are required to estimate the changing profile of retirees who are eligible for the post-employment medical aid subsidy.

Post Employment Mortality
PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010. This means that we expect 1% fewer people to die next year. In the year thereafter, we expect 1.99% fewer people to die, i.e. 1.99% is derived from [1 - (1 - 1%)2], and so on.

Family Profile
It has been assumed that female spouses will be five years younger than their male counterparts. Actual subsidised spouse dependants were used and the potential for remarriage was ignored.

Medical Scheme Option
It has been assumed that continuation members will remain on the same medical scheme and option.

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16. Employee benefit obligations (continued)

Plan Assets
Management has indicated that there are no long-term assets set aside off-balance sheet in respect of the municipality's post-employment health care liability.

Other Assumptions
It was assumed that the municipality's health care arrangements and subsidy policy would remain as outlined in Section 3. Furthermore, it was assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable and will continue.

Sensitivity Analysis

Sensitivity analysis on the accrued liability

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	One percentage point increase	One percentage point decrease
Health care inflation rate	10,094,000	8,714,000
Discount rate	8,742,000	10,072,000
Port-employment mortality	9,002,000	9,729,000

Sensitivity analysis on the interest cost

	One percentage point increase	One percentage point decrease
Health care inflation rate	1,066,00	914,000
Discount rate	1,000,000	968,000
Port-employment mortality	946,000	1,026,000

Amounts for the current and previous four years are as follows:

	2023 R	2022 R	2021 R	2020 R	2019 R
Defined benefit obligation	9,364,000	9,787,000	9,841,000	9,683,000	10,691,000
Experience adjustments on plan liabilities	233,000	116,000	(522,000)	102,000	497,000

17. Long service award

As per government gazette as employee shall qualify for long service rewards in terms of leave days credits for the various periods of continuous service completed at the employer as follows:

- After 5 years of service - 5 working days
- After 10 years of service - 10 working days
- After 15 years of service - 20 working days
- After 20 years of service - 30 working days
- After 25 years of service - 30 working days
- After 30 years of service - 30 working days
- After 35 years of service - 30 working days
- After 40 years of service - 30 working days
- After 45 years of service - 30 working days

The leave mentioned may be wholly or partially converted on the date on which an employee qualified or at any stages thereafter.

Long service benefits are awarded in the form of a number leave days awarded once the employee completes a certain number of years in service.

Valuation of assets
The long service award liability of the municipality is unfunded. No dedicated assets had been set aside to meet this liability

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17. Long service award (continued)		
Carrying value		
Present value	11,397,000	10,917,000
Changes in present value		
Opening balance	10,917,000	10,534,000
Current service cost	1,000,000	952,000
Interest cost	1,131,000	909,000
Benefits paid	(1,516,109)	(1,294,140)
Actuarial loss/(gain)	(392,891)	(183,860)
Change in policy valued	258,000	-
	11,397,000	**10,917,000**
Net expense recognised in the statement of financial performance		
Current service cost	1,000,000	952,000
Interest cost	1,131,000	909,000
Actuarial loss/(gain)	(392,891)	(183,860)
	1,738,109	**1,677,140**

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Key assumptions

Discount rate:	11.32%
General earnings inflation rate:	6.57%
Net effective discount rate:	4.45%

Average retirement age:
The average retirement age for all active employees was assumed to be 62 years. This assumption implicitly allows fro ill-health and early retirements.

Financial Assumptions

It is difficult to predict future investment returns and earnings inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at the valuation date for the period over which the liability obligations are to be settled.

Discount Rate
GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.32% per annum has been used. The corresponding liability-weighted index-linked yield is 4.97%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2023.

Earnings Inflation Rate
This assumption is required to reflect the estimated growth in earnings of the eligible employees until retirement. It is important in that the LSA are based on an employee's earnings at the date of the award.

The assumption is traditionally split into two components, namely General Earnings Inflation and Promotional Earnings Escalation. The latter is considered under demographic assumptions.

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17. Long service award (continued)

Earnings Inflation Rate
General Earnings Inflation Rate
This assumption is more stable relative to the growth in Consumer Price Index (CPI) than in absolute terms. In most industries, experience has shown, that over the long-term, earnings inflation is between 1.0% and 1.5% above CPI inflation.

The CPI inflation assumption of 5.57% was obtained from the differential between market yields on index-linked bonds (4.97%) consistent with the estimated terms of the liabilities and those of nominal bonds (11.32%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). Therefore, expected inflation is determined as ((1+11.32%-0.50%)/(1+4.97%))-1.

Thus, a general earnings inflation rate of 6.57% per annum over the expected term of the liability has been assumed, which is 1.00% higher than the estimate of CPI inflation over the same term. This assumption reflects a net discount rate of 4.45%.

Demographic Assumptions

Demographic assumptions are required about the future characteristics of current employees who are eligible for LSA.

Promotional Earnings Scale
The annual inflation rates below are in addition to the General Earnings Inflation assumption of 6.57% per annum for all employees.

Age Band	Additional Promotional Scale
20-24	5.0%
25-29	4.0%
30-34	3.0%
35-39	2.0%
40-44	1.0%
>44	0.0%

Average Retirement Age
The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

Withdrawal Rates
If an employee leaves, the employer's liability in respect of that employee ceases. It is therefore important not to overstate withdrawal rates.

Plan Assets
Management has indicated that there are currently no long-term assets set aside off-balance sheet in respect of the LSA liability.

Long service award arrangement assumptions
The municipality offers employees long service award for every five years of service completed, from ten years of service to 45 years of service, inclusive.
It was assumed that the employer's long service award arrangements would remain as outlined in above, and that the level of benefits in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments..

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17. Long service award (continued)

Sensitivity analysis	One percentage point increase	Current valuation percentage	One percentage point decrease
Accrued liability	11,805,000	11,139,000	10,532,000
Current service cost	1,079,000	1,000,000	930,000
Interest cost	1,206,000	1,131,000	1,063,000

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the long service awards liability.

The amounts for the current and previous four reporting periods are as follows:

	2023	2022	2021	2020	2019
Accrued liability	11,139,000	10,917,000	10,534,000	9,591,000	8,667,000
Experience adjustments on plan liabilities	271,109	85,140	481,875	277,788	358,370
	11,410,109	**11,002,140**	**11,015,875**	**9,868,788**	**9,025,370**

Current portion	1,675,000	1,441,000
Non-current portion	9,722,000	9,475,999
	11,397,000	**10,916,999**

18. Service charges

Sale of electricity	33,302,821	37,227,030
Sale of water	11,030,441	10,755,597
Sewerage and sanitation charges	7,998,860	7,964,230
Refuse removal	8,492,729	7,043,148
Other service charges	167,293	134,184
	60,992,144	**63,124,189**

19. Interest received - consumers

Interest received from exchange transactions- consumers	17,446,357	13,646,168
Interest received from non-exchange transactions-consumers	18,672,000	30,701,331
	36,118,357	**44,347,499**

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20. Other income		
Building Plans	379,079	626,835
Burial service fees	182,318	279,880
Clearance certificates	30,936	16,752
Connection fees	79,072	129,488
Fire brigade fees	271,859	273,405
Proof of residence	746,616	677,283
Sale of stands	96,496	278,934
Tender deposits	49,573	67,227
Administration and handling fees	122,387	359,846
Advertising	785	73,598
Valuation certificates	38	23
Cleaning and removal	53,581	117,412
Cash surplus	638	887
Insurance claim	1,025,847	-
Landfill site - change in accounting estimate	1,410,007	-
	4,449,232	**2,901,570**
21. Fair value adjustments		
Investment property (Fair value model)	1,197,600	3,636,400
Investments	82,641	(107,351)
	1,280,241	**3,529,049**
22. Property rates		
Rates received		
Residential	14,961,489	15,449,395
Commercial	18,751,552	18,369,807
State	29,413,926	42,109,047
	63,126,967	**75,928,249**
Valuations		
Residential	2,455,625,801	2,457,415,700
Commercial	894,547,600	898,347,600
State	938,081,800	940,581,900
Municipal	557,221,100	556,951,100
Agricultural	4,906,852,100	4,886,288,993
Other	147,473,302	147,073,300
	9,899,801,703	**9,886,658,593**

Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2020.. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

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23. Government grants & subsidies

Operating grants		
Equitable share	388,235,000	349,235,000
FMG	2,000,000	2,000,000
EPWP	2,227,000	1,391,000
LG Seta	389,970	349,545
Data cleansing	7,414,736	2,585,268
Disaster Relief Grant	4,100,000	-
	404,366,706	**355,560,813**
Capital grants		
RBIG	165,142,000	258,608,024
MIG	99,706,000	92,108,000
WSIG	72,745,000	64,000,000
EEDSMG	-	3,500,000
INEP	17,800,000	24,468,000
	355,393,000	**442,684,024**
	759,759,706	**798,244,837**

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Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Financial Management Grant

Current-year receipts	2,000,000	2,000,000
Conditions met - transferred to revenue	(2,000,000)	(2,000,000)
	-	-

The grant was intended to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

The conditions of the grant are stipulated in the Division of Revenue Bill as introduced in the National Assembly (proposed section 76); explanatory summary of Bill published in Government Gazette No. 37337 of 21 February 2014.

Expanded Public Works Programme

Current-year receipts	2,227,000	1,391,000
Conditions met - transferred to revenue	(2,227,000)	(1,391,000)
	-	-

The Expanded Public Works Programme is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The EPWP integrated grant for municipalities is intended to act as a supplementary source of funding for labour-intensive projects.

The conditions of the grant are stipulated in the Division of Revenue Bill as introduced in the National Assembly (proposed section 76); explanatory summary of Bill published in Government Gazette No. 37337 of 21 February 2014.

Water Services Infrastructure Grant

Current-year receipts	72,745,000	64,000,000
Conditions met - transferred to revenue	(72,745,000)	(64,000,000)
	-	-

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23. Government grants & subsidies (continued)

The grant was intended to fund bulk, connector and internal infrastructure of water services at a basic service level of service

The conditions of the grant are stipulated in the Division of Revenue Bill as introduced in the National Assembly (proposed section 76); explanatory summary of Bill published in Government Gazette No. 37337 of 21 February 2014.

Municipal Infrastructure Grant

Current-year receipts	99,706,000	92,108,000
Conditions met - transferred to revenue	(99,706,000)	(92,108,000)
	-	-

The grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

The conditions of the grant are stipulated in the Division of Revenue Bill as introduced in the National Assembly (proposed section 76); explanatory summary of Bill published in Government Gazette No. 37337 of 21 February 201

Intergrated National Electrification Programme

Current-year receipts	17,800,000	24,468,000
Conditions met - transferred to revenue	(17,800,000)	(24,468,000)
	-	-

The grant is intended to fund energy efficient lighting technologies in municipal buildings, streets and traffic lighting infrastructure.

The conditions of the grant are stipulated in the Division of Revenue Bill as introduced in the National Assembly (proposed section 76); explanatory summary of Bill published in Government Gazette No. 37337 of 21 February 2014.

Regional Bulk Infrastructure Grant

Balance unspent at beginning of year	-	10,608,024
Current-year receipts	165,142,000	248,000,000
Conditions met - transferred to revenue	(165,142,000)	(258,608,024)
	-	-

The grant is intended for fund bulk, connector and internal infrastructure of water services at a basic level of service .

The conditions of the grant are stipulated in the Division of Revenue Bill as introduced in the National Assembly (proposed section 76); explanatory summary of Bill published in Government Gazette No. 37337 of 21 February 2014.

LG Seta Grant

Current-year receipts	389,970	349,549
Conditions met - transferred to revenue	(389,970)	(349,549)
	-	-

The grant is intended for sending staff of the municipality for training by corporate services.

Energy Efficient Demand Side Management Grant

Current-year receipts	-	3,500,000
Conditions met - transferred to revenue	-	(3,500,000)
	-	-

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23. Government grants & subsidies (continued)

The grant is intended fund the maintenance of Energy Efficient lighting technologies in municipal buildings, street and traffic lighting infrastructure.

The conditions of the grant are stipulated in the Division of Revenue Bill as introduced in the National Assembly (proposed section 76); explanatory summary of Bill published in Government Gazette No. 37337 of 21 February 2014.

Data cleansing grant

Balance unspent at beginning of year	7,414,736	-
Current-year receipts	-	10,000,000
Conditions met - transferred to revenue	(7,414,736)	(2,585,264)
	-	**7,414,736**

This grant is intended to assist the municipality to conduct data cleansing and a reconciliation of the valuation roll and billing system.

Disaster Relief Grant

Current-year receipts	8,150,000	-
Conditions met - transferred to revenue	(4,100,000)	-
	4,050,000	**-**

Conditions still to be met - remain liabilities (see note 14).

The grant is intended to augment the resources of the municipality with regard to the following pioritised projects as per the request of the municipality supported by the provincial disaster management centre municipality.

24. Donations

Isuzu Fire Truck	2,791,350	-
GSDM installation of boreholes	1,500,000	-
Fencing of Carolina waterworks	-	535,480
	4,291,350	**535,480**

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25. Employee related costs		
Basic	132,736,965	123,148,351
Bonus	10,990,544	10,519,633
Medical aid - company contributions	12,602,877	11,331,606
UIF	1,002,304	895,079
Bargaining Council	61,322	56,578
SDL	1,836,296	1,705,438
Pension Fund	25,176,290	22,892,869
Interest cost on actuarial valuations	1,022,000	860,000
Provident Fund	1,463,985	1,242,378
Travel, motor car, accommodation, subsistence and other allowances	13,389,329	12,188,356
Overtime payments	11,949,870	11,782,272
Long-service awards	1,516,109	1,294,140
Acting allowances	3,473,491	3,529,011
Actuarial loss/(gain)	(902,051)	(210,435)
Housing benefits and allowances	1,473,459	1,587,705
Telephone allowances	812,057	781,646
Standby allowances	9,530,634	9,104,505
Pension payout	3,916,390	-
Long service award - Service cost	872,891	566,850
Employee benefits - 13th Cheque & Leave	1,075,693	1,125,491
	234,000,455	**214,401,483**
Remuneration of Municipal Manager: Thabethe M.E.		
Annual Remuneration	907,688	66,326
Car Allowance	180,000	15,000
Performance Bonuses	133,763	-
Contributions to UIF, Medical and Pension Funds	172,420	12,832
Cellphone allowance	24,000	2,000
Rural allowance	51,944	3,731
	1,469,815	**99,889**
Remuneration of Chief Finance Officer : Sekgobela M.M. (Appointed February 2023)		
Annual Remuneration	276,901	-
Car Allowance	75,000	-
Performance Bonuses	121,489	-
Contributions to UIF, Medical and Pension Funds	84,880	-
Cellphone allowance	5,000	-
Rural allowance	17,293	-
	580,563	**-**
Remuneration of Acting Chief Finance Officer: Hlophe O.G (September 2022 - January 2023)		
Annual Remuneration	270,958	-
Car Allowance	67,922	-
Contributions to UIF, Medical and Pension Funds	89,393	-
Acting allowance	126,401	-
Cellphone allowance	4,800	-
	559,474	**-**

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25. Employee related costs (continued)

Remuneration of Director Corporate Services: Sibeko S.S.

Annual Remuneration	490,065	776,937
Car Allowance	115,000	150,000
Performance Bonuses	85,042	80,533
Contributions to UIF, Medical and Pension Funds	146,851	218,494
Cellphone allowance	8,000	12,000
Rural allowance	29,477	45,339
Acting Allowance	-	13,166
Leave Paidout	217,633	-
	1,092,068	**1,296,469**

Remuneration of Acting Director Corporate Services: Nkosi M.S (October 2022- January 2023)

Annual Remuneration	216,766	-
Car Allowance	54,338	-
Cellphone allowance	3,800	-
Acting Allowance	100,889	-
	375,793	**-**

Remuneration of Director Community Services and Public Safety: Malaza S.I (Appointed August 2022)

Annual Remuneration	733,884	-
Car Allowance	88,000	-
Performance Bonuses	98,610	-
Contributions to UIF, Medical and Pension Funds	140,469	-
Cellphone allowance	11,000	-
Rural allowance	38,095	-
Acting Allowance	4,159	-
	1,114,217	**-**

Remuneration of Acting Director Community Services and Public Safety : Thabethe N.P (July 2022)

Annual Remuneration	54,191	154,980
Car Allowance	13,584	38,850
Contributions to UIF, SDL, Medical and Pension Funds	15,136	43,870
Cellphone Allowance	800	2,400
Acting Allowance	18,746	62,762
	102,457	**302,862**

Remuneration of Director Technical Services: Magubane M.P.

Annual Remuneration	710,274	688,771
Car Allowance	180,000	180,000
Contributions to UIF, SDL, Medical and Pension Funds	186,932	167,187
Cellphone Allowance	12,000	12,000
Rural Allowance	47,985	40,889
Performance Bonus	98,610	93,380
Acting Allowance	18,746	-
	1,254,547	**1,182,227**

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25. Employee related costs (continued)

Remuneration of Director Planning & Economic Development: Motloung L (Appointed August 2022)

Annual Remuneration	582,083	-
Travel Allowance	165,000	-
Contributions to UIF, SDL, Medical and Pension Funds	118,966	-
Cellphone Alowance	11,000	-
Housing Allowance	110,000	-
Rural Allowance	38,095	-
Performance bonus	98,610	-
	1,123,754	**-**

Remuneration of Acting Director Planning & Economic Development: Thwala A.N (July 2022)

Annual Remuneration	54,192	154,980
Car Allowance	13,584	38,850
Contributions to UIF, Medical and Pension Funds	14,384	42,111
Cellphone Allowance	800	2,400
Acting Allowance	18,746	60,831
13th Cheque	-	51,660
	101,706	**350,832**

Remuneration of Former Municipal Manager : Dlamini M.S - Backpayment (Contract ended April 2022)

Annual Remuneration	17,333	687,716
Car Allowance	-	200,000
Cellphone Allowance	-	20,000
Performance Bonuses	-	126,669
Contributions to UIF, Medical and Pension Funds	1,366	192,147
13th Cheque	-	115,553
Rural Allowance	693	46,221
Leave Paidout	-	266,245
	19,392	**1,654,551**

Remuneration of Former Chief Finance Officer: Mnisi M.G.T (Resigned August 2022)

Annual Remuneration	166,430	859,748
Car Allowance	27,657	165,943
Performance Bonus	-	115,047
Cellphone allowance	2,000	12,000
Contributions to UIF, Medical and Pension Funds	20,678	113,991
Rural Allowance	8,350	45,339
Acting Allowance	-	36,459
Leave Paidout	217,633	-
	442,748	**1,348,527**

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25. Employee related costs (continued)

Remuneration of Former Director Community and Public Safety: Shabangu J.W - Backpayment (Contract ended March 2022)

Annual Remuneration	11,500	643,086
Car Allowance	-	58,500
Performance Bonuses	142,436	134,883
Contributions to UIF, Medical and Pension Funds	1,336	80,623
Cellphone Allowance	-	9,000
Rural Allowance	460	30,667
Acting Allowance	-	48,056
Leave Paidout	-	171,741
	155,732	**1,176,556**

Remuneration of Former Director Planning and Economic Development: Lukhele T.A - Backpayment (Contract ended March 2022)

Annual Remuneration	2,834	544,375
Car Allowance	-	84,750
Contributions to UIF, Medical and Pension Funds	59	154,707
Cellphone Allowance	-	8,000
Rural Allowance	113	15,113
Leave Paidout	-	119,030
	3,006	**925,975**

The remuneration of staff is within the upper limits of the SALGA bargaining council determinations.

26. Remuneration of councillors

Executive Major	995,843	945,398
Speaker	813,414	786,823
Chief Whip	758,005	720,445
Mayoral Committee Members	4,535,787	3,600,100
Councillors	14,648,847	14,265,881
	21,751,896	**20,318,647**

In-kind benefits

The Executive Mayor is provided with a vehicle, driver,aid, secretary and chief of staff at the cost of the council.

The Chief Whip is provided with a personal assistant.

The Speaker is provided with a vehicle, secretarial support, personal assistant and a manager.

Members of municipal council should be remunerated within the upper limits as determined by the Department of Cooperative Governance and Traditional Affairs. Any deviations are disclosed as irregular expenditure.

Remuneration of Councillors:
The remuneration of the political office bearers and councillors are within the upper limits as determined by the framework envisaged section 219 of the Constitution..

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26. Remuneration of councillors (continued)

2023	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Executive Mayor	-	-	-	-	-	-
Nkosi D.P.	827,376	-	40,800	120,086	7,581	995,843
	827,376	**-**	**40,800**	**120,086**	**7,581**	**995,843**

2023	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Speaker	-	-	-	-	-	-
Gininda S.V.	444,954	189,335	40,800	124,722	6,385	806,196
Mngomezulu M.W. (Former)	5,363	1,788	-	-	68	7,219
	450,317	**191,123**	**40,800**	**124,722**	**6,453**	**813,415**

2023	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Chief Whip	-	-	-	-	-	-
Sidu L.L.	428,632	177,807	40,800	104,790	5,976	758,005
	428,632	**177,807**	**40,800**	**104,790**	**5,976**	**758,005**

2023	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Mayoral Committee Members	-	-	-	-	-	-
Thomo N.G	433,466	176,815	40,800	96,977	5,916	753,974
Nkosi S.P	462,113	176,564	40,800	67,579	5,822	752,878
Zulu G.G.	438,155	176,564	40,800	91,537	5,891	752,947
Dube S.N.	462,997	172,702	40,800	67,579	5,800	749,878
Mathebula J.T	459,461	175,680	40,800	67,579	5,789	749,309
Dlamini E.S.	582,797	-	40,800	119,923	5,794	749,314
Nkosi S.Z. (Former)	5,105	1,702	-	-	65	6,872
Makhubela N.V. (Former)	5,105	1,702	-	-	65	6,872
Magagula P (Former)	5,105	1,702	-	-	65	6,872
Mnisi-Nkosi N (Former)	5,105	1,702	-	-	65	6,872
	2,859,409	**885,133**	**244,800**	**511,174**	**35,272**	**4,535,788**

2023	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
MPAC Chairperson	-	-	-	-	-	-
Motaung R.M	598,663	-	40,800	87,423	5,593	732,479
	598,663	**-**	**40,800**	**87,423**	**5,593**	**732,479**

2023	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
S79 Chairpersons	-	-	-	-	-	-
Thomo G.P.	248,618	95,065	40,800	36,578	3,319	424,380
Jele D	271,821	-	40,800	108,440	3,447	424,508
Lulane S.K.	331,490	-	40,800	48,771	3,276	424,337
Nkumane M.J.	331,490	-	40,800	48,771	3,276	424,337
Khumalo S.P.	331,490	-	40,800	48,771	3,276	424,337
Nkosi P.Z.	248,618	95,065	40,800	36,578	3,319	424,380
Mthombeni S.F. (Former)	2,723	908	-	-	34	3,665
Nkosi J.S. (Former)	2,723	908	-	-	34	3,665
Shabangu L.D. (Former)	2,723	908	-	-	34	3,665
Ngwenya R.D. (Former)	2,829	-	-	-	28	2,857

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26. Remuneration of councillors (continued)

	1,774,525	192,854	244,800	327,909	20,043	2,560,131

2023	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Councillors	-	-	-	-	-	-
Sikhakhane N.B.	196,379	74,960	40,800	28,502	2,710	343,351
Van der Walt L	166,587	74,960	40,800	58,293	2,795	343,435
Matshaba K.A.	176,978	74,960	40,800	47,902	2,765	343,405
Zwane F.C	166,981	74,960	40,800	57,900	2,794	343,435
Ndebele J.C.H.	196,379	74,960	40,800	28,502	2,710	343,351
Mbuli T.G	196,379	74,960	40,800	28,502	2,710	343,351
Nkosi D.S.	261,839	-	40,800	38,002	2,678	343,319
Masuku B.M.	194,257	74,253	40,800	28,502	2,494	340,306
Mbokane P.S.	259,010	-	40,800	38,002	2,649	340,461
Hlatshwayo P.T.	286,537	-	40,800	43,975	2,922	374,234
Gininda O	259,010	-	40,800	38,002	2,649	340,461
Shiba X.S.G.	259,010	-	40,800	38,002	2,649	340,461
Nkambule K.V.	259,010	-	40,800	38,002	2,649	340,461
Maisela S.J.	259,010	-	40,800	38,002	2,649	340,461
Adams P.P.	237,897	24,279	40,800	34,836	2,661	340,473
Makene J	259,010	-	40,800	38,002	2,649	340,461
Mabuza V.B.	259,010	-	40,800	38,002	2,649	340,461
Nkosi A.J.	259,010	-	40,800	38,002	2,649	340,461
Mauku B.M.	253,732	6,069	40,800	37,211	2,652	340,464
Manana B.L.	194,257	74,253	40,800	28,502	2,683	340,495
Phakathi F.D.M.	259,010	-	40,800	38,002	2,649	340,461
Methula Z.C.	195,672	72,839	40,800	28,502	2,686	340,499
Nkosi N.P	194,257	74,253	40,800	28,502	2,683	340,495
Mncina L.M.	259,010	-	40,800	38,002	2,649	340,461
Thwala S.J.	259,010	-	40,800	38,002	2,649	340,461
Sithole B.I.	259,010	-	40,800	38,002	2,649	340,461
Hlophe M.P.	194,257	74,253	40,800	28,502	2,683	340,495
Nkambule T.P	216,784	48,559	40,800	31,669	2,674	340,486
Nkosi L.N.P.	259,010	-	40,800	38,002	2,649	340,461
Hlatshwayo C.S.	194,257	74,253	40,800	28,502	2,683	340,495
Mbatha M.E.	206,228	60,699	40,800	30,085	2,680	340,492
Thambekwayo M.T.	259,010	-	40,800	38,002	2,649	340,461
Dlamini N.E	253,353	-	40,800	38,002	2,593	334,748
Nkosi V.L. (Former)	2,121	707	-	-	27	2,855
Dludlu Z.M. (Former)	3,630	-	-	-	36	3,666
Nkosi A.D. (Former)	2,121	707	-	-	27	2,855
Lubhede E.J. (Former)	2,121	707	-	-	27	2,855
Ngubeni A (Former)	2,121	707	-	-	27	2,855
Cindi N.R. (Former)	2,121	707	-	-	27	2,855
Nkosi G.J. (Former)	2,121	707	-	-	27	2,855
Mbhele J.S. (Former)	2,121	707	-	-	27	2,855
Mthembu M.S. (Former)	2,121	707	-	-	27	2,855
Malaza M.A. (Former)	2,121	707	-	-	27	2,855
Nkosi B.G. (Former)	2,121	707	-	-	27	2,855
Nkosi T.S. (Former)	2,121	707	-	-	27	2,855
Nkosi T.B. (Former)	2,121	707	-	-	27	2,855
Shongwe J.D. (Former)	2,121	707	-	-	27	2,855
Jele J.J. (Former)	2,121	707	-	-	27	2,855
Nkosi J.T. (Former)	2,828	-	-	-	28	2,856
Nhlabathi N.C. (Former)	2,121	707	-	-	27	2,855
Khumalo M.J. (Former)	2,121	707	-	-	27	2,855
Mkhwanazi H.L.Z. (Former)	2,121	707	-	-	27	2,855
Ngoma Z (Former)	2,121	707	-	-	27	2,855
Ntjana M.L. (Former)	2,121	707	-	-	27	2,855

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26. Remuneration of councillors (continued)						
Hlabathi P.Z. (Former)	2,121	707	-	-	27	2,855
Zulu W (Former)	2,829	-	-	-	28	2,857
Mnisi S.T. (Former)	2,121	707	-	-	27	2,855
Kgwedi T.H. (Former)	2,121	707	-	-	27	2,855
	7,665,099	**1,049,024**	**1,346,400**	**1,206,421**	**89,028**	**11,355,972**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Executive Mayor	-	-	-	-	-	-
Nkosi DP	777,261	-	44,400	116,589	7,148	945,398
	777,261	**-**	**44,400**	**116,589**	**7,148**	**945,398**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Speaker	-	-	-	-	-	-
Gininda S.V	275,117	118,814	29,600	78,758	4,019	506,308
	275,117	**118,814**	**29,600**	**78,758**	**4,019**	**506,308**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Speaker (Former)	-	-	-	-	-	-
Mngomezulu M.W	143,514	63,652	15,809	55,259	2,279	280,513
	143,514	**63,652**	**15,809**	**55,259**	**2,279**	**280,513**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Chief Whip	-	-	-	-	-	-
Sidu L.L	401,637	167,597	44,400	101,154	5,658	720,446
	401,637	**167,597**	**44,400**	**101,154**	**5,658**	**720,446**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Mayoral Committee Members	-	-	-	-	-	-
Thomo N.G	238,436	97,765	25,900	54,858	3,289	420,248
Nkosi S.P	255,039	97,765	25,900	38,256	3,241	420,201
Zulu G.G	253,097	97,765	25,900	40,198	3,246	420,206
Dube S.N	327,907	13,966	25,900	49,186	3,199	420,158
Mathebula J	269,946	97,765	28,591	40,492	3,396	440,190
Dlamini E.S	340,246	-	28,591	67,957	3,390	440,184
	1,684,671	**405,026**	**160,782**	**290,947**	**19,761**	**2,561,187**

2022	Basic Salary	Travel Allowance	Cellphone Allowane	Pension & Medical Aid	SDL	Total
Mayoral Committee Members (Former)	-	-	-	-	-	-
Nkosi S.Z (Former)	143,826	59,675	15,809	39,857	2,094	261,261
Makhubela N.V (Former)	148,473	59,675	15,809	33,874	2,067	259,898
Magagula P (Former)	146,087	59,675	15,809	36,946	2,081	260,598
Mnisi-Nkosi N (Former)	157,804	59,675	15,809	21,860	2,013	257,161
	596,190	**238,700**	**63,236**	**132,537**	**8,255**	**1,038,918**

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26. Remuneration of councillors (continued)

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
MPAC Chairperson	-	-	-	-	-	-
Motaung R	369,960	-	29,600	54,655	3,495	457,710
	369,960	**-**	**29,600**	**54,655**	**3,495**	**457,710**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
MPAC Chairperson (Former)	-	-	-	-	-	-
Gininda S.V	125,034	54,227	14,600	37,646	1,849	233,556
	125,034	**54,227**	**14,600**	**37,646**	**1,849**	**233,556**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
S.79 Chairpersons	-	-	-	-	-	-
Thomo G.P	192,470	7,563	28,591	28,871	2,006	259,501
Jele D	170,038	-	28,591	58,866	2,086	259,581
Lulane S.K	199,047	-	28,591	29,857	2,003	259,498
Nkumane M.J	199,047	-	28,591	29,857	2,003	259,498
Khumalo S.P	199,047	-	28,591	29,857	2,003	259,498
Nkosi P.Z	192,470	7,563	28,591	28,871	2,006	259,501
	1,152,119	**15,126**	**171,546**	**206,179**	**12,107**	**1,557,077**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
S.79 Chairpersons (Former)	-	-	-	-	-	-
Mthombeni S.F	79,652	32,314	15,809	19,304	1,196	148,275
Nkosi J.S	78,444	32,314	15,809	20,860	1,203	148,630
Shabangu L.D	97,289	32,314	15,809	-	1,389	146,801
Thomo N.G	87,130	37,814	18,500	26,313	1,371	171,128
Ngwenya R.D	213,519	-	33,300	32,028	2,175	281,022
	556,034	**134,756**	**99,227**	**98,505**	**7,334**	**895,856**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Councillors	-	-	-	-	-	-
Dludlu Z.M	113,935	-	15,809	15,783	1,153	146,680
Sikhakhane N.B	184,480	70,718	44,400	27,672	2,601	329,871
Motaung R.M	81,991	-	14,800	12,299	855	109,945
Zulu G.G	76,867	29,466	18,500	11,530	1,084	137,447
Van Der Walt L	156,000	70,718	44,400	56,152	2,683	329,953
Matshaba K.A	161,996	70,718	44,400	50,157	2,666	329,937
Zwane F.C	212,731	5,893	44,400	64,246	2,649	329,919
Hadebe J.C.H	184,480	70,718	44,400	27,672	2,601	329,871
Nkosi S.P	76,867	29,466	18,500	11,530	1,084	137,447
Mbuli T.G	184,480	70,718	44,400	27,672	2,601	329,871
Nkosi D.S	245,974	-	44,400	36,896	2,566	329,836
Dube S.N	102,489	-	18,500	15,373	1,069	137,431
Masuku B.M	153,268	5,893	28,591	22,990	1,655	212,397
Mbokane P.S	158,392	-	28,591	23,759	1,652	212,394
Hlatshwayo P.T	141,790	-	28,591	40,361	1,700	212,442
Gininda O	158,392	-	28,591	23,759	1,652	212,394
Shiba X.S.G	158,392	-	28,591	23,759	1,652	212,394
Nkambule K.V	158,392	-	28,591	23,759	1,652	212,394
Maisela S.J	158,392	-	28,591	23,759	1,652	212,394

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26. Remuneration of councillors (continued)						
Adams P.P	158,392	-	28,591	23,759	1,652	212,394
Makene J	158,392	-	28,591	23,759	1,652	212,394
Mabuza V.B	158,392	-	28,591	23,759	1,652	212,394
Nkosi A.J	158,392	-	28,591	23,759	1,652	212,394
Mauku B.M	158,392	-	28,591	23,759	1,652	212,394
Manana B.L	153,268	5,893	28,591	22,990	1,655	212,397
Phakathi F.D.M	158,392	-	28,591	23,759	1,652	212,394
Methula Z.C	158,392	-	28,591	23,759	1,652	212,394
Nkosi N.P	153,268	5,893	28,591	22,990	1,655	212,397
Mncina L.M	158,392	-	28,591	23,759	1,652	212,394
Thwala S.J	158,392	-	28,591	23,759	1,652	212,394
Sithole B.I	158,392	-	28,591	23,759	1,652	212,394
Hlophe M.P	153,268	5,893	28,591	22,990	1,655	212,397
Nkambule T	158,392	-	28,591	23,759	1,652	212,394
Nkosi L.N.P	158,392	-	28,591	23,759	1,652	212,394
Hlatshwayo C.S	153,268	5,893	28,591	22,990	1,655	212,397
Mbatha M.E	158,392	-	28,591	23,759	1,652	212,394
Thambekwayo M.T	158,392	-	28,591	23,759	1,652	212,394
	5,699,868	**447,880**	**1,111,684**	**963,714**	**64,975**	**8,288,121**

2022	Basic Salary	Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Councillors (Former)	-	-	-	-	-	-
Nkosi V.L	54,458	25,180	15,809	24,838	1,011	121,296
Nkosi A.D	66,585	25,180	15,809	9,224	941	117,739
Lubhede E.J	66,585	25,180	15,809	9,224	941	117,739
Ngubeni A	66,585	25,180	15,809	9,224	941	117,739
Cindi N.R	66,585	25,180	15,809	9,224	941	117,739
Nkosi G.J	59,578	25,180	15,809	18,246	981	119,794
Mbhele J.S	66,585	25,180	15,809	9,224	941	117,739
Mthembu M.S	66,585	25,180	15,809	9,224	941	117,739
Malaza M.A	66,585	25,180	15,809	9,224	941	117,739
Nkosi B.G	66,585	25,180	15,809	9,224	941	117,739
Nkosi T.S	66,585	25,180	15,809	9,224	941	117,739
Nkosi T.B	66,585	25,180	15,809	9,224	941	117,739
Shongwe J.D	66,585	25,180	15,809	9,224	941	117,739
Jele J.J	66,585	25,180	15,809	9,224	941	117,739
Nkosi J.T	88,781	-	15,809	12,299	933	117,822
Nhlabathi N.C	66,585	25,180	15,809	9,224	941	117,739
Khumalo M.J	66,585	25,180	15,809	9,224	941	117,739
Mkhwanazi H.L.Z	59,578	25,180	15,809	18,246	981	119,794
Ngoma Z	66,585	25,180	15,809	9,224	941	117,739
Ntjana M.L	66,585	25,180	15,809	9,224	941	117,739
Hlabathi P.Z	66,585	25,180	15,809	9,224	941	117,739
Zulu W	88,781	-	15,809	12,299	933	117,822
Mnisi S.T	66,585	25,180	15,809	9,224	941	117,739
Kgwedi T.H	66,585	25,180	15,809	9,224	941	117,739
	1,616,291	**553,960**	**379,416**	**261,184**	**22,718**	**2,833,569**

27. Finance costs

Rehabilitation of landfill sites	7,880,664	6,681,497
Finance leases	549,111	1,018,040
Bulk purchases	10,701	58,872
Other interest paid	2,825,582	2,416,149
	11,266,058	**10,174,558**

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28. Bulk purchases

Electricity - Eskom	98,790,469	93,325,030

Electricity distribution losses are based on units per invoices received from Eskom and units sold per prepaid reports and conventional billing. The loss was determined to be R26 794 427.78 (2022: R31 213 775.30) and 16 364 069.70 units (2022 30 894 545) which is 46.52% (2022: 76.79%) .

The losses are as a result of technical losses due to aging infrastructure.

Water distribution losses are based on the kilowaters of water produced 10 477 358kl (2022: 10 477 358kl)and total water distributed 6 857 384.00kl (2022: 6 530 845kl) and the estimated loss is 3 619 974kl , R10 981 019 (2022: 3 946 513kl, R8 035 530.59) which is 39.31% (2022: 37.67%)

29. Contracted services

Outsourced Services		
Burial Services	6,000	11,000
Business and Advisory	15,445,538	18,045,671
Catering Services	410,144	50,350
Cleaning Services	-	25,130
Meter Management	1,366,239	1,924,805
Medical Services	92,016	129,739
Mini Dumping Sites	1,470,518	2,170,643
Research and advisory	1,382,990	280,718
Professional Staff	20,479,059	15,862,068
Security Services	23,615,811	21,670,470
Consultants and Professional Services		
Business and Advisory	10,622,136	20,913,961
Infrastructure and Planning	5,827,862	1,738,990
Audit Committee	287,824	215,790
Legal Cost	9,154,188	6,120,379
	4,806,906	4,141,876
Contractors		
Bore Waterhole Maintenance	6,835,008	31,413,948
Event Promoters	3,182,678	5,971,869
Fire Protection	1,500,391	2,748,365
Repairs and maintenance	51,238,528	42,944,320
Removal of Hazardous Waste	1,577,572	639,718
	159,301,408	**177,019,810**

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30. General expenses		
Advertising	4,038,147	3,600,100
Auditors remuneration	7,592,409	5,156,648
Bank charges	550,884	457,476
Commission paid	14,904,526	-
Consumables	18,851,076	17,896,211
Entertainment	26,220	81,400
Insurance	2,009,261	3,206,304
Levies	6,756	17,622
Motor vehicle expenses	14,962,552	10,088,793
Printing and stationery	3,815,951	3,188,012
Protective clothing	8,743,351	9,774,169
Subscriptions and membership fees	2,355,905	105,755
Telephone and fax	3,975,516	6,452,352
Transport and freight	3,263,950	2,412,898
Training	2,872,303	3,545,763
Travel - local	2,402,923	1,623,210
EPWP Expenditure	2,688,200	1,884,210
Interview costs	2,890,264	1,120,190
Assets less than capitalisation threshold	519,612	-
Committee Costs	4,355,100	4,693,951
EEDM	-	3,043,478
Refunds	25,065	-
Other expenses	1,039,920	923,327
	101,889,891	**79,271,869**
31. Auditors' remuneration		
Fees	7,592,409	5,156,648

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32. Cash generated from operations		
Surplus	213,875,903	305,058,018
Adjustments for:		
Depreciation and amortisation	55,907,251	53,543,016
Loss on disposal of property plant and equipment	537,642	1,217,677
Fair value adjustments	(1,280,241)	(3,529,049)
Finance costs - Finance leases	549,111	1,018,040
Rehabilitation of landfill site	7,880,664	6,681,524
Actuarial gain	902,051	(210,435)
Donations	(4,291,350)	(535,480)
Net interest cost on employee benefit	1,022,000	(27,425)
Provision for leave	837,062	863,053
Long service award	1,131,000	566,860
Impairment loss	17,621,726	1,810,178
Debt impairment	13,367,620	17,950,865
Bad debts written off	3,644,058	12,180,221
Net Current Service cost	1,000,000	-
Inventories consumed	113,335	834,693
Changes in working capital:		
Inventories	(479,400)	(256,716)
Receivables from exchange transactions	(32,152,923)	(26,760,746)
Statutory receivables	928,147	(36,566,693)
Operating lease asset	(1,507)	6,504
Payables from exchange transactions	21,614,115	23,886,915
Statutory receivables -VAT	(8,645,640)	4,581,466
Unspent conditional grants and receipts	(3,364,736)	(3,193,288)
	290,715,888	**359,119,198**
33. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Infrastructure	207,707,196	202,381,193
Authorised operational expenditure		
Already contracted for but not provided for		
• Operational	12,601,076	19,690,939
Total commitments		
Total commitments		
Authorised capital expenditure	207,707,196	202,381,193
Authorised operational expenditure	12,601,076	19,690,939
	220,308,272	**222,072,132**

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34. Contingencies

Litigations in the process against the municipality relating to civil claims include the following:

Grand Valley Estates (Pty) Ltd	-	26,680,000
Sifiso Thela	232,384	232,384
Minister of Water and Sanitation	4,500,000	4,500,000
Khumalo Mantombi Martha obo Khumalo Sabelo Xolane	-	10,000,000
Ntombifuthi Mazibuko	-	3,916,387
	4,732,384	**45,328,771**

The figures disclosed above are actual amounts as per the court summons and were confrimed to be reasonable by external lawyers.

Grand Valley Estates (Pty) Ltd
The plaintiff submitted a notice to withdraw the legal action against the municipality.

Sifiso Thela vs Municipality
Plaintiff is suing council in respect of damages suffered as a results of a motor vehicle accident that occurred between his car and that of the council.The potential liability is estimated at R232, 384.00. The matter is before the Regional Court for the Regional Division of Mpumalanga, held at Eerstehoek/Elukwatini under case no. ERCC 05/2016. Kindly note that the matter has reached litis contestacio (close of pleadings). We await Notice of set down from the Plaintiff for a Pre-Trail Conference to be held between the parties.

Minister of Water and Sanitation
The council is sued for R4,500,000 plus mora interest at a rate of 10.5% per annum from the date of issuing summon to the date of payment thereof, in respect of water use charges.The municipality is currently awaiting the plaintiff to enrol the matter for judicial case management.

Khumalo Mantombi obo Khumalo Sabelo
The plaintiff submitted a complete notice of action withdrawal due to unforeseen circumstances, resulting in the elimination of the contingent liability.

Ntombifuthi Mazibuko
The court proceedings resulted in the municipality making a payment to the applicant as per the motion, thereby eliminating the contingent liability.

35. Related parties

Relationships	
Accounting Officer	Refer to accounting officer's report and note 25
Section 57 Senior Managers	Refer to accounting officer's report and note 25
Executive Mayor	Refer to accounting officer's report and note 26
Speaker	Refer to accounting officer's report and note 26
Chief Whip	Refer to accounting officer's report and note 26
Mayoral Committee Members	Refer to accounting officer's report and note 26
Councillors	Refer to accounting officer's report and note 26

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36. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets and liabilities exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Cash and cash equivalents	4,083,119	26,249,736
Receivables from exchange transactions	58,625,538	73,521,437
Other receivables from non-exchange transactions	309,717	309,717
Investments	4,948,390	4,602,015
Trade payables	24,616,517	23,402,454

Market risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality is exposed to equity securities market risk because of investments held by the municipality and classified on the statement of financial position as at fair value through surplus or deficit.

37. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

38. Unauthorised expenditure

Opening balance as previously reported	-	9,859,613
Less: Amount written off	-	(9,859,613)
Closing balance	-	-

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39. Fruitless and wasteful expenditure		
Opening balance as previously reported	16,634	122,284
Eskom	10,701	12,951
SARS: Interest plus penalties	76	3,683
Less: Amount written off	(25,486)	(122,284)
Closing balance	**1,925**	**16,634**

Council has investigated the fruitless and wasteful expenditure and recommended that fruitless and wasteful expenditure be written off after consultation with MPAC and an independent forensic investigator.

40. Irregular expenditure		
Opening balance as previously reported	273,244,582	226,595,071
Add: Irregular expenditure - current	42,672,831	62,838,995
Less: Amount written off - current	(313,424,115)	(16,189,484)
Closing balance	**2,493,298**	**273,244,582**



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40. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

Bid adjudication committee not complying with Regulation 29(2	290,528	3,987,005
Local content not implemented	-	4,395,082
Government employee	29,500	27,850
Deviations	42,352,803	54,429,058
	42,672,831	62,838,995

All amounts disclosed as irregular expenditure are VAT inclusive.

Council has investigated the irregular expenditure and recommended that irregular expenditure be written off after consultation with MPAC and an independent forensic independent forensic investigator.

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41. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	122,645	113,156
Amount paid - current year	(122,645)	(113,156)
	-	-

Audit fees

Opening balance	10,514	-
Current year subscription / fee	8,755,708	5,940,659
Amount paid - current year	(8,760,921)	(5,930,145)
	5,301	**10,514**

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PAYE and UIF

Opening balance	8,228	-
Current year subscription / fee	39,040,535	36,265,615
Amount paid - current year	(39,048,764)	(36,257,387)
Unallocated receipt	(93,414)	-
	(93,415)	**8,228**

Pension and Medical Aid Deductions

Current year subscription / fee	64,737,359	58,849,262
Amount paid - current year	(64,737,359)	(58,849,262)
	-	-

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2023:

30 June 2023	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Van der Walt. L	2,448	15,968	18,416

30 June 2022	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Van der Walt L	3,252	16,902	20,154

42. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

The municipality did not have any deviations during the year

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43. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of six major functional areas:

- Planning and Economic Development
- Corporate Services and Administration
- Financial Services
- Council General
- Community Services
- Technical Services

The segments were organised around the type.of service delivered and the target market. Management uses these same segments for determining strategic objectives.Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.



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43. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2023

	Planning and Economic Development	Corporate Services	Financial Services	Council General	Community Services	Technical Services	Total
Revenue							
Service charges	-	-	19,740,855	-	7,760,575	33,490,714	60,992,144
Rental income	-	534,971	-	-	-	-	534,971
Interest received - consumers	-	-	36,118,357	-	-	-	36,118,357
License and permits	-	-	18,982	-	-	-	18,982
Other income	379,079	66,459	3,486,989	-	513,537	3,166	4,449,230
Interest received - investment	-	-	9,546,487	-	-	-	9,546,487
Fair value adjustments	-	-	1,280,241	-	-	-	1,280,241
Property rates	-	-	63,126,967	-	-	-	63,126,967
Government grants and subsidies	-	-	759,759,706	-	-	-	759,759,706
Donations	-	-	-	-	4,291,350	-	4,291,350
Fines	-	-	-	-	5,377,250	-	5,377,250
Total segment revenue	**379,079**	**601,430**	**893,078,584**	**-**	**17,942,712**	**33,493,880**	**945,495,685**
Entity's revenue							**945,495,685**

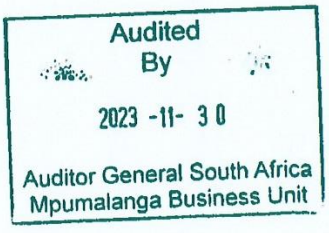
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	Planning and Economic Development	Corporate Services	Financial Services	Council General	Community Services	Technical Services	Total
43. Segment information (continued)							
Expenditure							
Employee related costs	11,478,226	51,096,180	34,389,185	1,953,324	98,175,581	36,907,958	234,000,454
Remuneration of councillors	-	-	-	21,751,896	-	-	21,751,896
Depreciation and amortisation	-	55,907,251	-	-	-	-	55,907,251
Impairment loss	-	-	17,621,726	-	-	-	17,621,726
Finance costs	-	3,013,358	8,252,702	-	-	-	11,266,060
Debt impairment	-	-	13,367,620	-	-	-	13,367,620
Bulk purchases	-	-	-	-	-	98,790,469	98,790,469
Bad debts	-	-	3,644,059	-	-	-	3,644,059
Contracted services	6,004,512	18,048,917	27,104,890	3,543,618	31,618,087	72,981,384	159,301,408
Loss on disposal of assets and liabilities	-	-	-	537,642	-	-	537,642
General expenses	409,808	2,301,898	37,061,374	38,053,892	7,133,778	16,929,141	101,889,891
Grants and subsidies expenditure	-	-	-	-	-	13,541,310	13,541,310
Total segment expenditure	**17,892,546**	**130,367,604**	**141,441,555**	**65,840,372**	**136,927,446**	**239,150,262**	**731,619,785**
Total segmental surplus/(deficit)	**(17,513,467)**	**(129,766,174)**	**751,637,029**	**(65,840,372)**	**(118,984,734)**	**(205,656,382)**	**213,875,900**
Assets							
Cash and cash equivalents	-	-	4,083,119	-	-	-	4,083,119
Receivables from exchange transactions	-	-	58,625,538	-	-	-	58,625,538
Statutory receivables	-	-	85,111,533	93,726	-	-	85,205,259
Other receivables from non-exchange	-	-	309,717	-	-	-	309,717
Inventories	-	-	4,975,140	-	-	-	4,975,140
Investments	-	-	4,948,410	-	-	-	4,948,410
Operating lease asset	-	-	45,409	-	-	-	45,409
Investment property	-	-	41,948,000	-	-	-	41,948,000
Property, plant and equipment	-	-	2,049,621,814	-	-	235,824,117	2,285,445,931
Total segment assets	**-**	**-**	**2,249,668,680**	**93,726**	**-**	**235,824,117**	**2,485,586,523**
Total assets as per Statement of financial Position							**2,485,586,523**



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	Planning and Economic Development	Corporate Services	Financial Services	Council General	Community Services	Technical Services	Total
43. Segment Information (continued)							
Liabilities							
Payable from exchange transactions	-	-	168,301,394	-	472,056	-	168,773,450
Finance lease obligation	-	-	1,381,900	-	-	-	1,381,900
Unspent conditional grants	-	-	4,050,000	-	-	-	4,050,000
Employee benefit obligation	-	-	9,364,000	-	-	-	9,364,000
Long service award	-	-	11,397,000	-	-	-	11,397,000
Provisions	-	-	84,733,958	-	-	-	84,733,958
Total segment liabilities	-	-	279,228,252	-	472,056	-	279,700,308
Total liabilities as per Statement of financial Position							279,700,308

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43. Segment information (continued)

2022

	Planning and Economic Development	Corporate Services	Financial Services	Council General	Community Services'	Technical Services	Total
Revenue							
Service charges	-	-	134,184	-	8,061,295	54,928,710	63,124,189
Rental income	-	-	681,321	-	-	-	681,321
Interest received - consumers	-	-	44,347,499	-	-	-	44,347,499
License and permits	15,576	-	-	-	-	-	15,576
Other income	979,367	1,037,129	84,889	-	670,697	129,488	2,901,570
Interest received - investment	-	-	4,997,453	-	-	-	4,997,453
Fair value adjustments	-	-	3,529,049	-	-	-	3,529,049
Property rates	-	-	75,928,249	-	-	-	75,928,249
Government grants and subsidies	-	349,545	353,820,268	-	-	444,075,024	798,244,837
Donations	-	-	-	-	-	535,480	535,480
Fines	-	-	-	-	8,992,450	-	8,992,450
Total segment revenue	**994,943**	**1,386,674**	**483,522,912**	**-**	**17,724,442**	**499,668,702**	**1,003,297,673**
Entity's revenue							**1,003,297,673**

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	Planning and Economic Development	Corporate Services	Financial Services	Council General	Community Services	Technical Services	Total
43. Segment Information (continued)							
Expenditure							
Employee related costs	10,754,853	26,958,359	34,450,236	6,321,865	47,440,462	88,475,708	214,401,483
Remuneration of councillors	-	-	-	20,318,647	-	-	20,318,647
Depreciation and amortisation	-	340,983	8,220,603	-	7,340,299	37,641,130	53,543,015
Impairment loss	-	-	-	-	31,393	1,778,785	1,810,178
Finance costs	-	1,018,040	2,416,149	-	6,681,497	58,672	10,174,558
Debt impairment	-	-	17,950,866	-	-	-	17,950,866
Bulk purchases	-	-	-	-	-	93,325,030	93,325,030
Bad debts	-	-	12,180,221	-	-	-	12,180,221
Contracted services	16,142,786	16,579,653	40,884,437	50,350	27,265,326	76,097,258	177,019,810
Loss on disposal of assets and liabilities	-	-	-	-	1,217,677	-	1,217,677
General expenses	923,327	29,485,981	3,990,633	81,400	9,791,791	34,998,737	79,271,869
Grants and subsidies expenditure	-	-	-	-	-	16,205,151	16,205,151
Inventories consumed	-	-	-	-	-	821,150	821,150
Total segment expenditure	**27,820,966**	**74,383,016**	**120,093,145**	**26,772,262**	**99,768,445**	**349,401,821**	**698,239,655**
Total segmental surplus/(deficit)	**(26,826,023)**	**(72,996,342)**	**363,429,767**	**(26,772,262)**	**(82,044,003)**	**150,286,881**	**305,056,018**
Assets							
Cash and cash eqivalents	-	-	26,249,736	-	-	-	26,249,736
Receivables from exchange transactions	-	-	42,336,284	-	-	-	42,336,284
Statutory receivables	-	-	83,936,042	-	-	-	83,936,042
Other receivables from non-exchange transactions	-	-	309,717	-	-	-	309,717
Inventories	-	-	4,495,740	-	-	-	4,495,740
Investments	-	-	4,602,015	-	-	-	4,602,015
Operating lease asset	-	-	46,916	-	-	-	46,916
Investment property	-	-	40,750,400	-	-	-	40,750,400
Property, plant and equipment	114,447,700	6,626,051	47,916,588	-	131,145,329	1,747,766,328	2,047,901,996
Total segment assets	**114,447,700**	**6,626,051**	**250,643,438**	**-**	**131,145,329**	**1,747,766,328**	**2,250,628,846**

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	Planning and Economic Development	Corporate Services	Financial Services	Council General	Community Services'	Technical Services	Total
43. Segment information (continued)							
Total assets as per Statement of financial Position							**2,250,628,846**
Liabilities							
Payables from exchange transactions	-	4,074,861	85,049,098	-	-	57,198,314	146,322,273
Finance lease obligation	-	-	4,300,789	-	-	-	4,300,789
Unspent conditional grants	-	-	7,414,736	-	-	-	7,414,736
Employee benefit obligation	-	-	9,787,000	-	-	-	9,787,000
Long service award	-	-	10,916,999	-	-	-	10,916,999
Provisions	-	-	-	-	82,049,138	-	82,049,138
Total segment liabilities	-	**4,074,861**	**117,468,622**	-	**82,049,138**	**57,198,314**	**260,790,935**
Total liabilities as per Statement of financial Position							**260,790,935**

Information about geographical areas

The municipality will currently not be able to provide information per geographical area as the cost to develop it will be excessive.



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44. COVID- 19 Expenditure		
Face masks	-	1,431,250
Disposable overalls	-	2,750,000
Disposable gloves	-	118,300
D59 flame suits	-	314,500
FFP2 respirators	-	126,000
Inframed thermometers	-	22,264
	-	4,762,314

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The municipality did not incur any expenditure related to COVID-19 in the current financial year.

45. Subsequent events

Munsoft was appointed as a financial system provider for implementation of a mSCOA compliant financial system after 30 June 2023.

The investigation into irregular expenditure and fruitless and wasteful expenditure was concluded after 30 June 2023.

From the 28th of July 2023, the municipality did not have access to the Inzalo Enterprise Management System due to disputes with the financial system provider.

46. Adjustment Budget

Chief Albert Luthuli Municipality performed an adjustment budget for the financial year 2022/23 to cater for the adjustment of under and over budgeted figures as well as to accommodate additional revenues received or cuts made in terms of government grants.

47. Budget differences

Material differences between budget and actual amounts

Statement of Financial Performance

Service charges
The municipality implemented a data cleansing exercise with the aim of assessing the prospects of collection on arreas municipal accounts. The exercise resulted in a write off ofall Chief Albert Luthuli registered accounts. The billing on the accounts were reversed . This had a bearing on the monthly billing. Further to this the lower than anticipated revenue collection is due to low economic growth and high unemployment in Chief Albert Luthuli. This has had a material impact on the disposable income of consumers.

Rental of facilities
Poor payment levels which resulted in a decrease in rental income revenue of municipal facilities.

Interest received- consumers
Poor payment of municipal services from consumers. This resulted in the activation of levying interest on overdue municipal accounts. Further, due to the poor economic climate, residents of Chief ALbert Luthuli Local Municipality experienced significantly reduced disposal income and purchasing power which resulted in a negative bearing on the payment ability for services consumed by businesses, industries and consumers.

License and permits
Unanticipalted revenue from licence and permits as a result of new building plans or amendments in existing properties. Applications are emanating from the Municipal town planning department in line with the newly implemented SPLUMA.

Other income
Other income included an increased consumption in proof of residence, insurance claim payout and bulding plans and other subsidiary revenue sources which were not anticipated to be received.

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47. Budget differences (continued)

Interest received investments
The municipality received an additional allocation which was further invested in interest bearing call accounts which yield positive returns up to 6.5% on the capital amount per annum. The Municipality utilises the call accounts for the sole purpose of ringfencing access funds and conditional grants. The significant increase in interest received is as a result of the interest bearing accounts holding positive bank balances throughout the financial year.

Property rates
The municipality implemented a data cleansing exercise with the aim of assessing the prospects of collection on arreas municipal Accounts. The exercise resulted in a write off of Chief Albert Luthuli Local Municipality accounts. This had a bearing on the monthly billing. Further to this the lower than anticipated revenue collection is due to low economic growth and high unemployment in South Africa as a whole. This has had a material impact on the disposable income of consumers.

Government grants and subsidies
The approval and implementation of a supplementary Division of Revenue by the Minister of Finance. Additional allocations were received by Chief Albert Luthuli Local Municipality on water Services Infrustructure Grant and on the Integrated National Electrification Program (INEP)

Donations
Unanticipated reciept of the Fire truck by Sasol and the completion and capitalisation of capital infrastructure completed by the Implementing Agent (GSDM)

Traffic fines
The implementation of a new traffic and management system had a positive impact on enforcement of speedlaw and traffic laws and regulations.

Employee related costs
Original budget did not include other employee related benefits such as car allowance for the funded positions that were appointed in the year. Adjustments had to be made due to a number of post level 3 appointees.

Remuneration of councillors
Budgeted estimated to cover the increase as per the determination of upper limits. Mid year assessment served as a guiding factor to adjust the budget downwards

Impairment loss
Unanticipated reduction in the useful lives of major infrastructure assets due to inadequate repairs and maintenance and impairement of long outstanding capital projects

Finance costs
Increase as a result ofchange in landfill provision and interest charged in reference to the assessment which was performed using the General Landfill Closure Costing Model (GLCCM) that was developed by Environmental & Sustainability Solutions (ESS). ESS is a boutique consultancy focusing on all aspects of environmental and sustainability accounting.

Debt impairment
Expectation of high impairment value due to low collection rate

Bulk purchases
Amount budgeted on the basis of maximum seasonal expenditure incurred. Hence the savings from the original budget.

Contracted services
Cost containment measures applied esecially on repairs and maintance. Other projects performed by internal staff.GSDM aso intervened in the of maintenace of roads and internal staff were used.

General expenditure
General increase in the procurement of of consumables, protective clothing and equipment as a means of ensuring compliance with occupational, health and safety requirements for municipal employees.

Depreciation and amortisation
An increase is as a result of Assets that were added and capitalised during the year as well as a reduction in the useful lives of major infrastructure assets due to inadequate repairs and maintenance.

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47. Budget differences (continued)

Bad debts written off
No anticipation of write offs hence the adjustment at midyear.

Grants and subsidies expenditure
The expenditure item is as a result of expensed VIP toilets (less than the capilisation value) that are budgeted under Municpal Infrustructure Grant

Capital expenditure
An amount of R4 050 000 remained unspent in relation to the disaster recovery grant.

Cash and cash equivalents
Projected bank balance was based on prior year actual bank balance.



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48. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2022

	Note	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions		73,521,437	(31,185,153)	-	42,336,284
Statutory receivables		106,698,890	(35,136,813)	-	71,562,077
VAT Receivable		12,662,755	20,927	-	12,683,682
Payables from exchange transactions		135,679,215	(7,000,290)	17,643,350	146,322,275
Provisions		17,643,350	-	(17,643,350)	-
Social responsibility		-	7,307,614	-	7,307,614
Accumulated surplus		(1,964,438,197)	65,993,715	-	(1,898,444,482)
		(1,618,232,550)	**-**	**-**	**(1,618,232,550)**

Statement of financial performance

2022

	Note	As previously reported	Correction of error	Re-classification	Restated
Service charges		64,131,997	(1,007,808)	-	63,124,189
Property rates		77,882,046	(1,953,797)	-	75,928,249
Bulk purchases		(94,006,668)	(139,511)	821,150	(93,325,029)
Inventories consumed		-	-	(821,150)	(821,150)
Employee related costs		(214,254,597)	(146,886)	-	(214,401,483)
Surplus for the year		**(166,247,222)**	**(3,248,002)**	**-**	**(169,495,224)**

1. Receivables from exchange transactions

During the review and assessment of management accounts it was noted that management did not account for receivables from exchange transactions in accordance with the requirements of GRAP 104 Financial Instruments.

Service charges were levied against municipal properties and the municipality should not be included as a debtor in its financial statements as it does not expect to receive cash or any other financial asset from another entity. This resulted in receivables from exchange transactions being overstated.

The accounts have been restated to incorporate the impact of the misclassification of municipal accounts as debtors.

Effects of adjustment

Decrease in receivables from exchange transaction	-	(31,185,153)
Decrease in service charges	-	1,007,808
Decrease in accumulated surplus	-	30,177,345
	-	-

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48. Prior-year adjustments (continued)

2. Statutory receivables

During the review and assessment of management accounts it was noted that management did not account for statutory receivables in accordance with the requirements of GRAP 104 Financial Instruments.

Property rates were levied against municipal properties and the municipality should not be included as a debtor in its financial statements as it does not expect to receive cash or any other financial asset from another entity. This resulted in receivables from exchange transactions being overstated.

The accounts have been restated to incorporate the impact of the misclassification of municipal accounts as debtors.

Effect of adjustments		
Decrease in statutory receivables	-	(35,136,813)
Decrease in property rates	-	1,953,797
Decrease in accumulated surplus	-	33,183,016
	-	-

3. Bulk Purchases

During the review and assessment of management accounts, it was noted that bulk purchases incurred in the 2021/22 financial year had been incorrectly captured in the 2022/23 financial year. This was due to the late submission and receipt of invoices and statements of accounts from Eskom.

Effects of adjustment		
Increase bulk purchases	-	139,511
Increase in VAT	-	20,927
Increase in trade payables	-	(160,438)
	-	-

Water stock consumed was incorrectly classified as bulk purchases.

Effect of adjustment		
Decrease in bulk purchases	-	(821,150)
Increase in inventory consumed	-	821,150
	-	-

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4. Provisions

During the review and assessment of management accounts, it was noted that the leave provision was disclosed incorrectly. Leave is an employee benefit and employee benefits are excluded from the scope of GRAP 19, therefore it should not be disclosed as a provision,.

Effect of adjustment		
Decrease in provisions	-	17,643,350
Increase in payables from exchange transactions	-	(17,643,350)
	-	-

5. Employee related costs

During the review and assessment of management accounts, it was noted that employee related cost expenditure incurred in the 2021/22 financial year had been incorrectly captured in the 2022/23 financial year.

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48. Prior-year adjustments (continued)

Effect of adjustment		
Increase overtime	-	2,700
Increase in standby allowances	-	6,882
Increase in performance bonus	-	766,414
Increase in payroll provision	-	(775,996)
	-	-

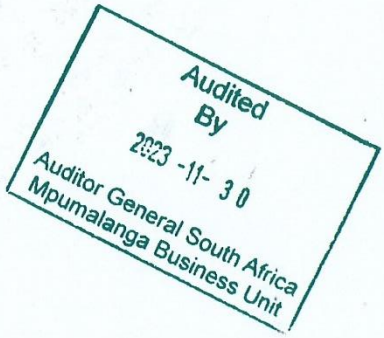
During the review and assessment of management accounts, it was noted that employee related cost expenditure incurred in the 2020/21 financial year had been incorrectly captured in the 2021/22 financial year.

Effect of adjustment		
Increase in accumalated surplus	-	(629,110)
Decrease in payroll provision	-	629,110
	-	-

6. Payables from exchange transactions

Reclassification of 1% Social responsibility incorrectly classified as a liability.

Effect of adjustment		
Decrease in payables from exchange transactions	-	7,307,614
Increase in social responsibility	-	(7,307,614)
	-	-





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