



Sarah Baartman

DISTRICT MUNICIPALITY

Province of the Eastern Cape

progress through development

FINAL

ANNUAL REPORT

2022/2023

CONTENTS

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	6
COMPONENT A: MAYOR’S FOREWORD	6-7
COMPONENT B: EXECUTIVE SUMMARY	8
1.1. MUNICIPAL MANAGER’S FOREWORD AND OVERVIEW	8-17
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	17-20
1.3. SERVICE DELIVERY OVERVIEW	20
1.4. FINANCIAL HEALTH OVERVIEW	20-21
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	21
1.6. AUDITOR GENERAL REPORT	22
1.7. STATUTORY ANNUAL REPORT PROCESS	22
CHAPTER 2 – GOVERNANCE	25
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	25
2.1 POLITICAL GOVERNANCE	25-27
2.2 ADMINISTRATIVE GOVERNANCE	28-29
COMPONENT B: INTERGOVERNMENTAL RELATIONS	29
2.3 INTERGOVERNMENTAL RELATIONS	29-33
2.4 STAKEHOLDER ENGAGEMENT	33
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	33
2.4 PUBLIC MEETINGS	33
2.5 IDP PARTICIPATION AND ALIGNMENT	38
2.5A COMMUNICATION AND PUBLIC RELATIONS	35-37
COMPONENT D: CORPORATE GOVERNANCE	38-40
2.6 RISK MANAGEMENT	40-41
2.7 ANTI-CORRUPTION AND FRAUD PREVENTION	42
2.8 SUPPLY CHAIN MANAGEMENT	42-49
2.9 BY-LAWS	50
2.10 WEBSITE	51
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	51
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	52
COMPONENT A: BASIC SERVICES	52
3.1. WATER PROVISION	52
3.2 WASTEWATER (SANITATION) PROVISION	52
3.3 ELECTRICITY	52
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	52
3.5 HOUSING	52
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	52

COMPONENT B: ROAD TRANSPORT	52
3.7 ROADS	52
3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	53-55
3.9 STORMWATER DRAINAGE	55
 COMPONENT C: PLANNING AND DEVELOPMENT	 55
3.10 PLANNING	55-61
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES, IGR, IPPs)	61-77
 COMPONENT D: COMMUNITY & SOCIAL SERVICES	 77
3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES. OTHER (THEATRES, ZOOS, ETC)	77
3.13 CEMETERIES AND CREMATORIIUMS	77-78
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES	78-80
 COMPONENT E: ENVIRONMENTAL PROTECTION	 81
3.18 POLLUTION CONTROL	81
3.19 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)	81
 COMPONENT F: HEALTH	 82
3.20 CLINICS	82
3.21 AMBULANCE SERVICES	82
3.22 HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTION. ETC.	82-85
 COMPONENT G: SECURITY AND SAFETY.....	 85
3.20 POLICE	93
3.21 FIRE	93-95
3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	95-97
 COMPONENT H: SPORT AND RECREATION.....	 92
3.23 SPORT AND RECREATION	92
 COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	 92
3.24 EXECUTIVE AND COUNCIL	92-93
3.25 FINANCIAL SERVICES	93
3.26 HUMAN RESOURCE SERVICES.....	93-98
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	99-118
3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES	119-120

COMPONENT J: MISCELLANEOUS	120
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD.....	120-124
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II).....	125
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	125
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	125-126
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	126
4.2 POLICIES	127-128
4.3 INJURIES, SICKNESS AND SUSPENSIONS	129
4.4 PERFORMANCE REWARDS	129-130
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	130
4.5 SKILLS DEVELOPMENT AND TRAINING	131-135
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	136
4.6 EMPLOYEE EXPENDITURE	136
CHAPTER 5 – FINANCIAL PERFORMANCE	137--141
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	142
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2021/2022	142
6.1 AUDITOR GENERAL REPORTS Year 2021/2022 (Previous year)	142-146
COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2022/2023.....	147
6.2 AUDITOR GENERAL REPORT YEAR 2022/2023.....	147-155
6.3 RESPONSE TO THE AUDITOR GENERAL REPORT	156-157
APPENDICES	
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	157-159
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	159-160
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	161
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	162-163
APPENDIX E – WARD REPORTING	164
APPENDIX F – WARD INFORMATION.....	164
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE .2022/23.	164-174
REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 30 JUNE 2023	175-181

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS.....	182-183
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE .	184-255
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	256
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE....	256
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE	256
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	256
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	256
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES.	257
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	257
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME... ..	257
APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2022/23.....	257
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2022/23.....	257
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.....	257
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE... ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION ..	258
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY.	259
APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71.....	259
APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT .	250
REPORTING ON KPA's AS PER COGTA REQUIREMENTS	260-270

ABBREVIATIONS:

AFS = Annual Financial Statements
AG = Auditor General
AGSA = Auditor General of South Africa
ANC = African National Congress
BAAM = Business Adopt a Municipality
BAC = Bid Adjudication Committee
BCDA = Blue Crane Development Agency
BCRM = Blue Crane Route Municipality
BEE = Black Economic Empowerment
CBO = Community Based Organisation
CDDA = Cacadu District Development Agency
CFO = Chief Financial Officer
COGTA = Co-operative Governance and Traditional Affairs
CSIR = Council for Scientific and Industrial Research
DA = Democratic Alliance
DAC = District Aids Council
DCF = District Communicators Forum
DEDEAT = Department of Economic Development, Environment and Tourism
DM = Disaster Management / District Municipality
DoRA = Division of Revenue Act
DSRAC = Department of Sport, Recreation and Culture
DST = District Steering Committee
LRED = Local and Regional Economic Development
DTI = Department of Trade and Industry
IDZ = Industrial Development Zone
DWC = District Womens' Caucus
ECSECC = Eastern Cape Socio Economic Consultative Council
ECPTA = Eastern Cape Parks and Tourism Agency
EEP = Employment Equity Plan
EHS = Environmental Health Service
EPWP = Extended Public Works Programme
EXCO = Executive Committee

FY = Financial Year
 GCIS = Government Communications and Information Systems
 GDP = Gross Domestic Product
 GIS = Geographical Information System
 GRAP = Generally Recognised Accounting Practice
 GVA = Gross Value Add
 HCT = HIV Counselling and Testing
 HR = Human Resources
 ICT = Information and Communication Technology
 IDC = Industrial Development Corporation
 IDP = Integrated Development Plan
 IGR = Intergovernmental Relations
 KPA = Key Performance Area
 KPI = Key Performance Indicator
 LAC = Local Aids Council
 LED = Local Economic Development
 LM = Local Municipality
 LTO = Local Tourism Organisation
 LUM = Land Use Management
 MAYCO = Mayoral Committee
 MEC = Member of Executive Council
 MFMA = Municipal Finance Management Act
 MFMIP = Municipal Finance Management Internship Programme
 MHS = Municipal Health Service
 MIG = Municipal Infrastructure Grant
 MM = Municipal Manager
 MOU = Memorandum of Agreement
 MPAC = Municipal Public Accounts Committee
 MRM = Moral Regeneration Movement
 MSA = Municipal Systems Act
 mSCOA = Municipal Standard Chart of Accounts
 MTSF = Medium Term Strategic Framework
 N/A = Not applicable
 NGO = Non-Governmental Organisation
 NMMU = Nelson Mandela Metropolitan University
 OTP = Office of the Premier
 PAA = Public Audit Act
 PCF = Premier's Co-ordinating Forum
 PGDP = Provincial Growth and Development Plan
 PMS = Performance Management System
 PMU = Project Management Unit
 PRO = Public Relations Officer
 PSC = Project Steering Committee
 REDI = Rural Economic Development Initiative
 RRAMS = Rural Road Asset Management System
 S A = South Africa
 SALGA = South African Local Government Association
 SAPS = South African Police Services
 SBDM = Sarah Baartman District Municipality
 SCM = Supply Chain Management
 SDBIP = Service Delivery and Budget Implementation Plan
 SDF = Spatial Development Framework
 SEEDS = Socio-Economic and Enterprise Development Strategy
 SETA = Skills Education Training Authority
 SHRMP = Strategic Human Resource Management Plan
 SLA = Service Level Agreement

MSIG = Municipal Systems Improvement Grant
SMME = Small, Medium, Micro Enterprise
SOE = State Owned Enterprise
SPLUMA = Spatial Planning Land Use Management Act
SRVM = Sundays River Valley Municipality
TK = TASK (Tuned Assessment Skills and Knowledge)
UG = Unemployed Graduates
UGP = University Grants Programme
WSA = Water Services Authority
WSP = Workplace Skills Plan

CHAPTER 1 – EXECUTIVE MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR’S FOREWORD

The 2022/2023 financial year has ended, and it has been the first full year since the start of the 2021 local government term. For the first time Sarah Baartman District Municipality saw itself being governed by a Council that was constituted by four political parties.

As I present the Annual Report for the 2022/2023 financial year, which is an account of what has been delivered against the set targets in the Service Delivery and Budget Implementation Plan (SDBIP), I appreciate the collective efforts of both the political and administrative leadership in ensuring that we serve the people of the region with humility and respect. I am proud to report to the council and the community of SBDM that as the District Municipality we have previously received grant funding of R8 million to support Makana with its challenges of waste management.

Moreover, I wish to highlight the fact that the municipality has achieved 81, 82% of its targets on service delivery as set in the SDBIP. I wish to note to the community of the region that in the previous year the district has received an Unqualified Audit Opinion. The management and the leadership have been working hard to improve the operations of the district.

As I present this report, I wish to bring to the attention of everyone that at least the district is moving in the right direction in building capacity and instilling governance. All senior manager positions have been filled and the organization has reviewed and approved an organizational structure that is fit for purpose. These will ensure good governance and financial management which will yield better service.

The District Development Plan announced by the President in his State of the Nation speech in 2019 which calls for all levels of government to collaborate on district planning, based on a detailed, technically driven consultative process within government and with communities and stakeholders, to produce a single strategically focused One Plan. The SBDM council noted the second iteration of the One Plan. I wish to acknowledge and thank our national and provincial political champion the Honourable Deputy Minister Capa and MEC Fanta for their support and commitment to the process in ensuring a credible One Plan was developed.

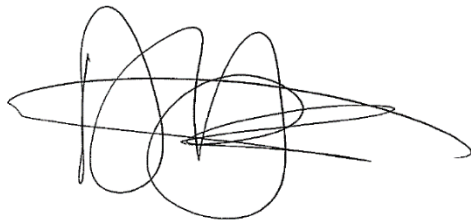
The crippling drought continued to affect the district. Many of the supply dams were at extremely low levels. This has affected commercial farmers as well as small scale and emerging farmers. We have been encouraging local municipalities to introduce stringent measures to reduce water consumption. We have also been lobbying for a local state of disaster for the district because of the dire situation. The Executive Mayor of SBDM together with the Mayors of the seven local municipalities met with the Minister of Water and Sanitation to highlight the impact the drought is having in the District. A follow up meeting with the Minister is expected in the new year to focus solely in the water and sanitation needs within the SBDM.

Due to the prevalent number of youths being involved in drugs and alcohol abuse mainly due to unemployment, an initiative was undertaken to support local municipal sports individuals and clubs in respect of athletics, soccer, rugby, and netball teams. These initiatives will continue with the purpose of keeping our youths away from drugs and alcohol abuse.

We as a District Municipality must continue to strive to be close to our communities in the District who are destitute and desperate for our assistance. Councillors, together with the administration have come up with creative and innovative ideas and/or projects to assist such members of our communities.

I want to express my appreciation to the Council and members of the Mayoral Committee who have ably supported me during the year under review and I also want to thank the Municipal Manager, Directors and the officials for their support, loyalty, dedication, and commitment during the year.

I trust that this Annual Report will provide a good and accurate account of our efforts in performing our legislated functions and providing support services to our local municipalities, various organisations, institutions, and broader society of Sarah Baartman District.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

D. DE VOS
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S FOREWORD AND OVERVIEW

INTRODUCTION

The guidelines of Circular 63 which is issued by National Treasury (NT) stipulate that the Annual Report (AR) is moulded in accordance to such. Municipalities are therefore required to set specific targets in which their performance will be measured against. These include the carrying out of their responsibilities in terms of legislation, the implementation of projects and programmes, the contribution to improving the socio-economic conditions of the communities in their jurisdiction. In the case of the Sarah Baartman District Municipality (SBDM) this would result in an assessment of whether the SBDM is able to fulfil its functions including its support to local municipalities.

The District Municipality has a crucial role in co-ordinating the efforts of all spheres of government to ensure equitable development across the district. The SBDM can therefore be regarded as the centre of co-ordination. Creating an enabling environment for established business, small business, farming, tourism to flourish is a crucial responsibility of the three spheres of government.

This Executive Summary therefore lays out a broad overview of the performance of the District Municipality during the financial year under review. The Organisational Performance Scorecard in Chapter 3 of this Annual Report provides, amongst other things, the performance indicators, the target of each indicator, and whether the target has been achieved or not achieved. In the instance where targets have not been achieved, explanations and reasons have been provided.

The Integrated Development Plan (IDP) is the strategic blueprint for the work of the municipality. Each year Council approves a budget. This budget provides the necessary financing to implement the priorities of the institution. The year under review is the fourth year of the implementation of the IDP for this term of the Council. The priorities of the municipality for the current five-year term are, Basic Service Delivery and Infrastructure, Local Economic Development, Good Governance and Public Participation, Municipal Transformation and Organisation Development and Financial Viability. The priorities and projects that were approved are reflected in the Service Delivery and Budget Implementation Plan (SDBIP) which serves as the institutional scorecard. The Municipal Manager as Accounting Officer is responsible to ensure that the SDBIP is implemented.

The performance of the institution is reflected in the Annual Performance Report contained in this Annual Report. The District Municipality has performed very well in the year under review. Details of the performance of the institution is found in the annual performance report (component K page 84)

Hence, this Annual Report will indicate that many projects have been fully implemented in the year under review in comparison to prior years. Hence the performance of the municipality can be best be considered as good. For the year under review, the District Municipality received an unqualified audit opinion.

DISTRICT DEVELOPMENT MODEL

The District Development Model (DDM) that was announced in the 2019 Presidency Budget Speech identified the “pattern of operating in silos” as a challenge which led to “lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult”. The consequence of this challenge has been non- optimal delivery of services and diminished impact on the triple challenges of poverty, inequality, and employment. The president called for the rolling out of “a new integrated district approach to addressing service delivery challenges”. The DDM is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government to work jointly and to plan and act in unison. The Sarah Baartman District Municipality is engaging with all spheres of government to ensure that the District can address the needs of our communities through One District, One Plan, One Budget. This Model greatly enhances our ability to respond to the impact of the pandemic.

The second iteration of the first iteration of the Sarah Baartman District One Plan was adopted in March 2023 by SBDM Council. This One Plan presents a cohesive planning strategy with the overall Vision 2050 being:

“By 2050 the SB District will be a vibrant and productive district based on its participative, people-centered, developmental approach.

A district steeped in agricultural wealth and opportunity, well renowned for its diverse and rich tourism industry, and a leading light in alternative and renewable energy creation. Our district will deliver efficient public services, educational opportunities and health support grounded in our commitment to ensure a truly democratic dispensation for all our people.”

The vision is supported by several sub-visions to highlight the importance of the six key development goals being: demographic change and people development; economic positioning; spatial restructuring and environmental sustainability; infrastructure engineering; integrated service provisioning; and governance and finance. Each of these development goals has been attributed specific strategies and received a set of indicators or targets to which the district can constantly aspire to achieve, and which will also create the opportunity to constantly measure our progress and success rate.

OVERSIGHT BY COUNCIL

The Council, led by the Speaker, is the highest decision-making body. The Council approves the IDP, SDBIP, Budget and policies that govern the work of the municipality. The Mayoral Committee, comprising of the Executive Mayor and the five full-time councillors, is responsible to ensure that the IDP and Budget and policies are implemented, and objectives of Council are achieved.

Although there are no standing committees or portfolio committees, the District Municipality involves its councillors to serve in Intergovernmental forums. Special committees are also set up to deal with specific tasks. The Audit Committee and the Municipal Public Accounts Committee (MPAC) play key oversight roles. The Woman’s Caucus was established in 2018. This Committee champions the aspirations of all women and ensures that matters affecting women are prioritised within the municipality.

POWERS, FUNCTIONS AND ROLES

The role as well as the powers and functions of district municipalities are set out in the Municipal Structures Act, 1998 (Act 117 of 1998). Section 83(3) of the Municipal Structures Act emphasises that the district municipality must support and capacitate local municipalities in its area of jurisdiction. Section 84(1) of the Municipal Structures Act indicates the powers and functions of district municipalities.

In the Sarah Baartman District area, many of the municipal services that relate directly to communities have been assigned to the seven local municipalities. The provision of water, sanitation, electricity, refuse collection and disposal, maintenance of roads within the towns and residential areas, the provision of community service such as, maintenance of parks, swimming pools are all functions of the local municipalities. The Provincial Government is responsible for the provision of Primary Health Care and ambulance services in the district. The provision of library services is the competence of the Province and local municipalities are appointed as the agents.

The below table illustrates the municipal powers and functions of the Local Municipalities:

Municipal Powers & Functions	SBDM	BCR	DRBN	KLM	KKM	MLM	NLM	SRV
Water		Y	Y	Y	Y	Y	Y	Y
Sanitation		Y	Y	Y	Y	Y	Y	Y
Municipal health	Y			Y			Y	
Electricity reticulation		Y	Y	Y	Y	Y	Y	Y
Air Quality		Y	Y	Y	Y	Y	Y	Y
Building regulation		Y	Y	Y	Y	Y	Y	Y
Childcare facilities	Y	Y	Y	Y	Y	Y	Y	Y
Fire fighting	Y	Y	Y	Y	Y	Y	Y	Y
Tourism	Y	Y	Y	Y	Y	Y	Y	Y
Municipal airports / landing strips		Y				Y	Y	
Municipal Planning	Y	Y						
Public Transport	Y	Y	Y	Y	Y	Y	Y	Y
Disaster Management	Y							
Storm Water		Y	Y	Y	Y	Y	Y	Y
Trading Regulations		Y	Y	Y	Y	Y	Y	Y
Beaches and amusement facilities		Y	Y	Y	Y	Y	Y	Y
Billboards and Advertisement		Y	Y	Y	Y	Y	Y	Y
Cemeteries, parlours, and crematories		Y	Y	Y	Y	Y	Y	Y
Cleansing		Y	Y	Y	Y	Y	Y	Y
Traffic		Y	Y	Y	Y	Y	Y	Y
Street lighting		Y	Y	Y	Y	Y	Y	Y

Street trading		Y	Y	Y	Y	Y	Y	Y
Refuse removal and solid waste disposal		Y	Y	Y	Y	Y	Y	Y
Public spaces/ places		Y	Y	Y	Y	Y	Y	Y

INTERGOVERNMENTAL RELATIONS

The Council and the Municipal Manager also responsible to ensure that the objectives of the Intergovernmental Relations Framework Act are achieved and that is done through collaborations and working relations with other spheres of government. The Councillors and officials of the District Municipality also participate in various structures and working groups. Continual and crucial engagements occurred throughout the year with the National Government, Provincial Government, and local municipalities mainly through physical and virtual platforms.

The dominant focus areas in intergovernmental relations during from 2022/2023 to now are mainly the District Development Plan and its Implementation as well as Gender Base Violence (GBV).

FINANCING THE BUDGET

The above paragraphs clearly indicate that the SBDM is not directly involved in direct service delivery to communities. As a result, it is unable to levy tariffs and charges against users of municipal services. It is therefore largely dependent on government funding to perform its functions.

As part of the budgeting processes the SBDM had to utilize interest income and some of its reserves to finance its operations and assist with projects. This practice is unsustainable, and the District Municipality has made a concerted effort to source revenue streams in order to improve the situation.

The financial performance of the municipality is highlighted in the Financial Overview.

PARTNERSHIPS

During the year under review the District municipality has received delegations from Sweden and China.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Water and Sanitation

Local Municipalities in the Sarah Baartman District are the Water Services Authorities and Water Services Providers. The District Municipality however has a responsibility to support the local municipalities in the performance of this function. During the period under review, it was a difficult period for the local municipalities due to the ongoing drought situation that commenced in 2014.

The Water Service Development Plans for 7 Local Municipalities (Blue Crane Local Municipality, Dr Beyers Naude Local Municipality, Makana Local Municipality, Ndlambe Local Municipality, Kouga Local Municipality, Koukamma Local Municipality and Sundays River Valley Local) were completed. The service provider for the development of Water Services Development Plans was appointed for R908 845.00.

Our institution has been very supportive to its local municipalities and instrumental in soliciting support on their behalf. The District Municipality has also invested in infrastructure projects.

The District Municipality does not receive any Municipal Infrastructure Grant from National Treasury, and any funding that the District Municipality makes available in supporting local municipalities comes primarily out of its own revenue sources.

Relocation of SBDM Offices

With regards to the relocation of the SBDM to Addo, the land for the development has been identified. The Sarah Baartman DM is collaborating with the Department: Public Works and Infrastructure (DPWI) for the construction of the offices in Addo, Sundays River Valley.

The Department of Public Works and Infrastructure has assisted SBDM with the design concept and has committed in supporting the District Municipality with provision professional consulting services for the detailed designs. The detailed designs are yet to be completed due to various challenges experienced during the financial year.

Spatial Planning

The implementation of the Spatial Planning and Land Use Management Act (SPLUMA) is to ensure historic imbalances are addressed and sustainable development in planning is always promoted. Hence the District Municipality in its endeavor to support its local municipalities resolved to assist three local municipalities with the development of Spatial Development Framework (SDF). The SDF is an important tool for creating a long term, sustainable framework for territorial and socio-economic development. During the year under review, Blue Crane Route, Koukamma and Sundays River Valley were supported.

Roads

In Roads Infrastructure, meaningful progress has been made in relation to the implementation of the project called "Rehabilitation of Various Taxi Routes in Makana LM". The Local Municipality prioritized two routes namely Van Behrens Street in Riebeeck East and M-street and Albert Street in Makhanda to be accommodated in the approved grant of R50 million from the Department of Roads and Transport. Progress has been as follows:

Van Behrens Street

- Consultant appointed (January 2023)
- Bid for appointment of a Contractor was advertised in May 2023

M and Albert streets

- Bid for appointment of a consultant was advertised in April 2023
- Bid for appointment of a contractor will be in the new financial year (2023/24)

Community Services

Environmental Health is a function of the district municipality, the District Municipality terminated the agency agreements with five of its local municipalities and absorbed the affected staff from the Local Municipalities. Kouga LM and Ndlambe LM continue to provide the service and are funded for this responsibility based on the per capita of each area.

Through grant funding from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) which was received on behalf of Makana LM the following was procured and delivered to Makana LM: Two Waste Management Trucks were procured and delivered to Makana Local Municipality.

Sarah Baartman District Municipality (SBDM) received an amount of **R7 000 000.00** grant from DEDEAT to facilitate the procurement of waste management fleet and attend to all other related waste management issues following the High Court order against Makana Local Municipality on Environmental degradation due unmanaged waste in the area.

Expenditure for 2022/23 financial year:

Greening, erection of “No Dumping” signage was put up in all 7 identified Illegal Dumping Sites:

- 1.Extension 6
- 2.Mkrwetyana
- 3.Extension 4
- 4.Extension 7
- 5.Extension 10
- 6.21 U street Tantyi And 117

Furthermore, various activities were embarked on an effort to create a better environment for the communities of Makana. An amount **R 3 762 908.00** was spent.

Disaster Management

The Disaster Management Act 57 of 2002 indicates that each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area by- (a) the municipality and statutory functionaries of the municipality, including, in the case of a district municipality, the local municipalities and statutory functionaries of the local municipalities in its area; (b) all municipal entities operating in its area; (c) all non-governmental institutions involved in disaster management in its area; (d) the private sector. A district municipality must establish its disaster management framework after consultation with the local municipalities in its area. Sarah Baartman District Municipality has established Disaster Management Satellite Centres and divided them into regions. Makana LM and Ndlambe LM

(Eastern Region), Sundays River Valley LM and Blue Crane Route LM (Central Region), Kouga LM and Koukamma LM (Western Region) and Dr Beyers Naude LM as Northern Region).

In terms of Section 84 (1) (j) of the Municipal Structures Act the district municipality is mandated to render firefighting services. These include planning, co-ordinating and regulation of fire services; co-ordination of the standardisation of infrastructure equipment, vehicles, and procedures; training of fire officers as well as specialised fire-fighting services such as mountain, veld and chemical fires. The Sarah Baartman District Municipality Fire Services By-Laws has been adopted by Sarah Baartman District Council and gazetted by Government Printing Works. It is inclusive of the 7 local municipalities. The district municipality has appointed the local municipalities to perform these functions as its agent. Local Municipalities are funded in terms of an approved model which takes various factors into account.

SBDM initiated various programmes which sought to mitigate disasters and they are but not limited:

- Provision of Stormwater Channels and Cleaning of Draining System in Addo. Through that project 15 temporary jobs were created.
- Training of 33 Fire Services Personnel have been completed.
- Home-base Care for the aged, young and people with disabilities in partnership with Community Health Care Centers for 100 households in Ndlambe and Sundays River Valley Local Municipalities
- Recruitment of 12 Community Workers and Procurement of Personnel Protective Equipment

PLANNING AND LOCAL ECONOMIC DEVELOPMENT

Unemployment remains at an unacceptable high level. The District is unfortunately still faced with many socio-economic challenges despite our best efforts to deal with the situation. The District Municipality is collaborating with our Provincial and National departments to improve the quality of life of the communities in the District.

Through our department of Planning and Economic Development SBDM supported various SMMEs in an effort to promote economic development in many forms. The support provided was both financial and non-financial. It is important to note that the support was also extended to various organisation dealing with Tourism and Creative Industry sector.

It is very pleasing to express gratitude to the tourism sector and Independent Power Producers for their willingness to collaborate with the district and ensure job creation in our region.

The SBDM has also financially contributed towards the Cacadu Development Agency. A full report of the work, the programmes and projects of the Agency is reflected in this Annual Report.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Executive Mayor has held several stakeholder engagements and round table discussion. The purpose of those engagements was to gain insight in terms of industry needs and agree on a manner that the District will support.

The District also provided support to local municipality in terms of training of ward committees. Also, municipalities were assisted with facilitation of their strategic session and IGR sessions.

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The district staff complement as approved in the organogram consists of ninety-six [96] employees, including six [6] Interns. The number of employees fluctuates with vacant positions because of employees retiring or resigning. There are presently fifty [50] females and thirty-seven [37] males employed at the institution as the end of June 2023. The District adopted a new Employment Equity Plan in December 2022.

Institutional development is also a major priority. The district municipality needs to employ skilled personnel who can support local municipalities and deal with the various challenges that face the area. The District Municipality embarks on training in accordance with the Workplace Skills Plan [WSP] which is a product of employee Skills Auditing and agreed Personal Developmental Plans. There is a dedicated budget allocated for the development and training of both Councillors and Officials within a financial year.

The process of completing job descriptions and grading jobs received impetus due to the appointment of the Job Evaluation Co-ordinator. A District Job Evaluation Committee has been trained and grading sessions are held every month, where jobs from the Local Municipalities and SBDM are evaluated. The results are audited externally, with the confirmed grades being implemented in the respective Municipalities.

As at the end of the financial year 2022/23 financial year 50% of jobs graded and 5 LM's evaluated by the District Grading Committee.

SUPPORT TO LOCAL MUNICIPALITIES

District municipalities have an obligation to assist local municipalities within their demarcated areas by building their capacity to perform their functions and exercise their powers where such capacity is lacking. Capacity Building and Support to the seven Local Municipalities in the District is of primary importance to Sarah Baartman District Municipality and is one of its main focus areas. The main aim of the Capacity Building Strategy is to build in-house capacity in local municipalities and to support them so that they can perform their functions. Another goal is to strengthen their institutional and corporate governance systems.

The function of building the capacity of local municipalities is entrusted to the Municipal Manager and the three Directors. Hence capacity building initiatives are performed and managed in all Departments of the SBDM.

FINANCIAL OVERVIEW

The Municipality's Statement of Financial Position for the year ended 30 June 2023 indicates that the Municipality is still maintaining a strong financial position through practical and sensible financial management approaches and effective corporate governance strategies.

Its cash management record over many years is excellent and the unappropriated surplus (R202.9m) is fully cash backed as detailed below:

	Cash Backed Unappropriated Surplus Balance 30 June 2022 R/m	Cash Backed Unappropriated Surplus Balance 30 June 2023 R/m
General (includes post-employment medical benefit provision of R61.6m)	207.9 (includes an amount of R61.6m which is ring-fenced for long term medical benefit liabilities and is not available for allocation)	202.9 (includes an amount of R56.4m which is ring-fenced for long term medical benefit liabilities and is not available for allocation)
TOTAL	207.9	202.9

The Council had a deficit of R5m (surplus 2022: R9.7m) in the financial year for the institution. This was mainly due increased expenditure and lower grant income compared to the prior year. Income for the year amounted to R142.4m (2022: R140.4m), whilst expenditure on projects and services stood at R147.4m (2022: R130.7m).

The District Municipality's final adjusted budget amounted to R208.4m. The under spending on the operating budget is due to slow implementation on infrastructure-related projects and other projects funded from the operating account.

The revenue is made up of external and internal sources of income. The external source of income consists mainly of unconditional grants consisting of the Levy Replacement Grant and Equitable Share amounting to R71.3m (2022: R69.6m) and R33.2m (2022: R31.2m) respectively. The Municipality generates its own internal income from mainly interest income and rentals which amount to R17.6m (2022: R11.5m) and R0.11m (2022: R0.06m) respectively. The budget is spent on the operational and capital expenditure. The largest expenditure from the operating budget emanates from Payroll Costs which amounted to R64.7m (2022: R62.2m). Due to the nature of its functions, the Council does not have its own revenue streams and is almost totally dependent on grant funding.

I wish to take this opportunity to thank the employees, management and Council for the support that they have given and ensured that SBDM remains the best performing District in the province.



U.DANIELS
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Sarah Baartman District Municipality (SBDM) is the largest (58 243 km²) of the six (6) District Municipalities in the Eastern Cape Province. The District is situated in the western portion of the Province, bordering the Western Cape, Northern Cape and two other District Municipalities in the Eastern Cape, namely Chris Hani District Municipality and Amathole District Municipality.

The District consists of seven (7) local municipalities and three other portions that are National Parks, namely the Addo Elephant National Park, the Tsitsikamma National Park and Camdeboo National Park. These parks are managed by the South African National Parks Board¹. There are seven Category “B” municipalities in the district. The district wholly surrounds the Nelson Mandela Metropolitan Municipality (NMMM), except on the coastal side. Consequently, access via land to the Nelson Mandela Metro is through the Sarah Baartman district.

The Sarah Baartman District constitutes approximately 7.3% (Global Insight 2024) of the population of the Eastern Cape Province. The District is dominated by a Karoo landmass resulting in low population densities and scattered, small inland towns. There are higher densities along the coast and in urban centres.

Services in the Sarah Baartman District are primarily rendered by the local municipalities. The District Municipality invests in its Local Municipalities in terms of infrastructure; community services; economic development and capacitating Local Municipalities.

Unemployment in the Sarah Baartman District is estimated at 76 900 (32.81) as per Global Insight Figures (2022). Census 2011 estimated unemployment in the Sarah Baartman District at 22%. However, this figure excludes discouraged job seekers. This shows that there has been an increase in unemployment between 2011 and 2022 in the district. Based on recent surveys of STATS SA as well as by ECSECC indicate that this figure has increased steadily due to the poor economic climate that South Africa currently finds itself in. Due to its rural nature, a large proportion of the population in the Sarah Baartman District is employed in the Agriculture sector. There has also been a significant growth in the Tourism sector with resultant employment opportunities.

¹The National Parks in the District do not form part of the 2010 demarcation exercise. All national parks are excluded from disestablishment.

Sarah Baartman – Key Statistics (CENSUS 2022)

Name	2022	2011
Total population	533 253	450 584
Young children (0-14 years)	23,8%	27,2%
Working age population (15-64 years)	65,9%	65,8%
Elderly (65+ years)	10,3%	7,0%
Dependency ratio	51,7	52,0
Sex ratio	90,7	95,6
No schooling (20+ years)	4,9%	7,5%
Higher education (20+ years)	11,7%	8,0%
Number of households	158 404	125 628
Average household size	3,4	3,6
Formal dwellings	90,9%	85,7%
Flush toilets connected to sewerage	87,7%	73,6%
Weekly refuse disposal service	85,1%	78,7%
Access to piped water in the dwelling	64,4%	51,0%
Electricity for lighting	95,2%	87,3%

POPULATION DETAILS AND SETTLEMENTS IN SARAH BAARTMAN DISTRICT

Local Municipalities	Main Settlements	Census 2011	Community Survey 2016	CENSUS 2022
Dr Beyers Naude	Graaff-Reinet, Jansenville, Willowmore	79 291	82197	101 001
Blue Crane Route	Somerset East, Cookhouse, Pearston	36 002	36063	49 883
Makana	Grahamstown, Alicedale, Riebeeck-East	80390	82 060	97 815

Ndlambe	Port Alfred, Kenton-on-Sea, Bushmans River, Alexandria	61 176	63180	87 797
Sundays River Valley	Kirkwood, Addo, Paterson	54 504	59 793	53 256
Kouga	Jeffreys Bay, Humansdorp, Hankey, Patensie, St Francis	98 558	112 941	107 014
KouKamma	Joubertina, Kareedouw, Louterwater	40 663	43 688	36 487
SBDM		450 584	479 922	533 253

Households

HOUSEHOLDS BY DWELLING UNIT TYPE - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA LOCAL MUNICIPALITIES, 2022 [NUMBER]

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Dr Beyers Naude	11,076	12,460	130	424	70	24,160
Blue Crane Route	5,009	6,088	42	165	22	11,326
Makana	10,627	12,309	457	1,114	110	24,617
Ndlambe	6,197	15,345	440	1,189	116	23,287
Sundays River Valley	5,318	13,682	259	1,436	83	20,778
Kouga	24,956	9,967	1,227	3,811	586	40,548
Kou-Kamma	9,557	4,462	187	236	94	14,536
Total Sarah Baartman	72,740	74,313	2,742	8,374	1,083	159,252

The region within the Sarah Baartman District Municipality with the highest number of very formal dwelling units is the Kouga Local Municipality with 25 000 or a share of 34.31% of the total very formal dwelling units within Sarah Baartman District Municipality. The region with the lowest number of very formal dwelling units is the Blue Crane Route Local Municipality with a total of 5 010 or a share of 6.89% of the total very formal dwelling units within Sarah Baartman District Municipality.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Services in the Sarah Baartman District are primarily rendered by the local municipalities. These include water, sanitation, electricity, road maintenance and community services.

The District Municipality is responsible for Environmental Health and Fire Services in terms of section 84(1)(i) and section 84(1)(j) of the Municipal Structures Act, respectively. Agency agreements have been entered into with the seven local municipalities in the District to render these services.

PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

This information is available from the Annual Reports of local municipalities, as the local municipalities in the Sarah Baartman District are responsible for basic services.

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW – See Executive Summary: Municipal Manager’s Overview page [10-17](#)

OPERATING RATIOS – See KPA 4 page 153.

TOTAL CAPITAL EXPENDITURE: YEAR 2021/2022 TO YEAR 2022/2023 – See Note of Annual Financial Statements

CAPITAL EXPENDITURE – The District Municipality’s capital expenditure is only linked to assets used for operations and excludes infrastructural assets. All infrastructural assets through the implementation of capital projects, is capitalised by the local municipalities.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Sarah Baartman District Municipality [SBDM] undertook an extensive organisational review during the 2022/2023 financial year. During the IDP review process, an item is written reflecting how the municipal organogram is structured to ensure service delivery goals are achieved, the right mix of business strategies is adopted and the right fit of appointed employees is carried out successfully. Furthermore, The Staff Regulations for Local Government of 2021, specifies the requirements that municipalities must undergo before an organogram can be adopted by Council:

1. All municipalities had to adhere to the Staff Regulations of 2021 (SR2021).
2. The deadline for the approval of an organogram by council should be in May 2023 to for it to be submitted to COGTA for approval by the end of June 2023, which is the deadline date as per the staff regulations.

All material decisions adopted around the organizational structure seek to focus on long term financial sustainability of the municipality and to reduce appropriations for infrastructure and other projects

The new SBDM organisational structure was approved by Council on the 24th May 2023. The new structure detailed:

1. Five (5) frozen positions,
2. Three (3) new positions, and
3. Eleven (11) unfunded positions

After the submission of the approved structure was submitted to the MEC for comments, the SBDM Council adopted the new structure effective from 1 July 2023.

The new focus was to provide more hands-on support to the local municipalities to improve their service delivery and financial management and ensuring their sustainability.

1.6. AUDITOR GENERAL REPORT

The Sarah Baartman District Municipality received an unqualified audit report with findings in respect of the 2022/2023 financial year. This is the seventh consecutive year that the SBDM has received an unqualified audit report, following three years of achieving a clean audit report. The full audit report is contained in Chapter 6 of this annual report – Page 150-158.

The District Municipality operated in a very stable political environment. The governance structures were all in place and operated effectively.

There are effective internal controls and systems which result in reliable information.

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Time Frame
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 2023
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 2022/2023 to Internal Audit and Auditor-General	August 2023
5	Mayor tables the unaudited Annual Report	August 2023
6	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
7	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
8	Auditor General audits draft Annual Report including consolidated Annual Financial Statements and Performance data	September/October 2023
9	Municipalities receive and start to address the Auditor General's comments	December 2023- January 2024.
10	Mayor tables Annual Report and audited Financial Statements to	

	Council complete with the Auditor- General's Report	
11	Audited Draft Annual Report is made public and representation is invited	
12	Oversight Committee (MPAC) assesses Annual Report	February/March 2024
13	Council adopts Oversight report	
14	Oversight report is made public	
15	Oversight report is submitted to relevant provincial councils	
16	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January 2023

COMMENT ON THE ANNUAL REPORT PROCESS:

For the prior years there has been alignment between the IDP and Budget. Programmes and projects of the IDP are reflected in the Service Delivery and Budget Implementation Plan (SDBIP) and feed into the Performance Management Agreements of senior officials. Performance Management is executed throughout the institution and all employees have Performance Agreements/Plans.

CHAPTER 2

CHAPTER 2 - GOVERNANCE

INTRODUCTION TO GOVERNANCE

All spheres of government must provide effective, transparent, accountable and coherent government for the Republic of South Africa to secure the well-being of its people and the progressive realisation of their rights to a healthy environment, water, housing, sanitation, refuse collection, health care services, education and social security. This is in line with the objectives of the Constitution and other pieces of legislation.

Evaluating the ongoing effectiveness of public officials or public bodies ensures that they are performing to their potential, providing value for money in the provision of public services, instilling confidence in the government and being responsive to the community.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The SBDM recognises that good governance is a key priority in the District. The SBDM also embraces the principles of the Back-to-Basics programme that emphasizes good governance. Several governance structures exist in the municipality.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Council is the highest decision-making body in the municipality. There are thirty councilors. Eighteen councilors come from the seven local municipalities. Twelve councilors are elected on the proportional representation basis. The Council is ultimately responsible for the approval of the IDP and Budget, Annual Report and other important decisions of the institution, such as the approval of policies and bylaws, sale of immovable property. The Council is led by the Speaker.

The SBDM has an Executive Mayoral system which allows for the exercise of executive authority through an Executive Mayor in whom the executive leadership of the municipality is vested. The Executive Mayor is assisted by a Mayoral Committee. This committee is responsible for most of the day-to-day decisions of the municipality.

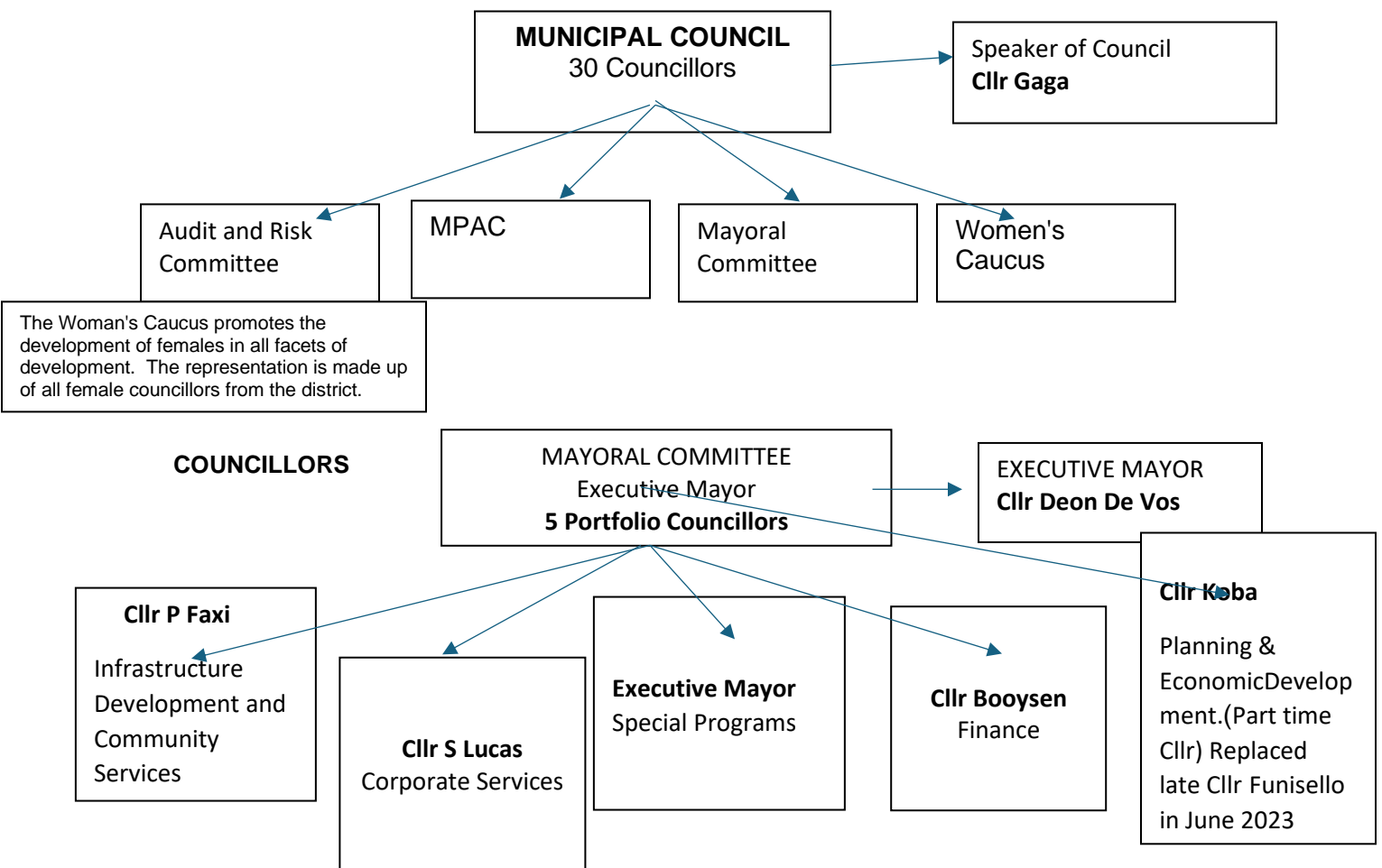
There is an Audit and Risk Committee (Section 79 Committee) that provides oversight over the financial affairs and performance and risks faced by of the institution. A report from the Audit Committee is included in this Annual Report. There is also an Anti-Corruption and Fraud Prevention Committee which is a sub-committee of the Audit and Risk Committee.

The SBDM has a Municipal Public Accounts Committee (MPAC), which comprises of non-executive councillors. The MPAC also oversees various reports from the Council and Audit Committee and conducts assessment and verification of projects implemented by the SBDM.

One of the tasks of the MPAC is to assess the Annual Report and to provide recommendations thereon. The MPAC report will be published separately in accordance with MFMA guidelines.

The Women's Caucus promotes the development of females in all facets of development. The representation is made up of all female councillors from the district municipality.

Governance



As stated above the SBDM has 30 councillors, 18 of which represent local municipalities and 12 of whom are proportional representative councillors. A full list of councillors can be found in **Appendix A** page 117.

There are no portfolio committees. All matters are entrusted to the Mayoral Committee. However, there are many structures that exist that allow other councillors to participate, i.e. the District Wide Infrastructure Forum, District Support Team for Economic Development etc.

POLITICAL DECISION-TAKING

The Speaker oversees the legislative arm of the municipal council. This means that she guards the integrity of the legislative process and plays an important role in the oversight that the council must exercise over the actions of the executive. She is also responsible to ensure that the municipality fulfills its public participation responsibilities.

All decisions are taken by the Council, or the Executive Mayor in consultation with the Mayoral Committee, or senior officials in terms of authority delegated by legislation and/or the delegations of authority. Council has delegated a considerable amount of authority to the Executive Mayor. The Mayoral Committee also makes recommendations to Council on matters which have not been delegated to it.

As the executive authority of the council, **the Executive Mayor** provides political guidance over the budget and financial affairs as well as the implementation of policy of the municipality.

All decisions of Council are implemented by the **Municipal Manager** and Management.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

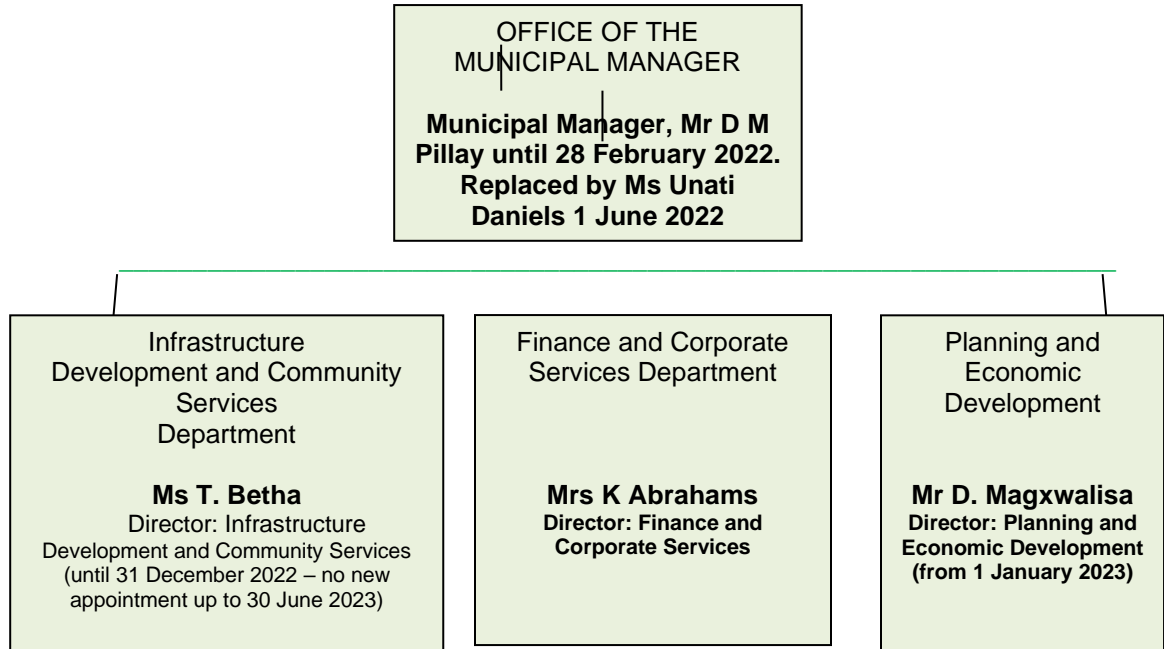
The Municipal Manager is ultimately responsible for administration of the institution. The Municipal Manager is the Accounting Officer of the municipality for the purposes of the Municipal Finance Management Act. He provides guidance on compliance with this Act and all other legislation applicable to local government to political structures, political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The Office of the Municipal Manager is the driving force behind the Sarah Baartman District Municipality's administration and integrates all the different components of the municipality to be able to carry out both strategic and operational plans. The Municipal Manager is also responsible to support the Office of the Executive Mayor and the Office of the Speaker.

There are three departments in the institution, namely Finance and Corporate Services, Infrastructure Development and Community Services as well as Planning and Economic Development. They are aligned in terms of the development priorities of the Municipality. The work of these departments are highlighted in this Annual Report.

There are also functions entrusted to the Office of the Municipal Manager. These include:

- Capacity building and support to LMs
- Special programmes (youth, women and persons living with disabilities);
- Intergovernmental relations;
- Communication;
- Performance management;
- Internal Audit;
- Risk Management;
- HIV and Aids;
- Programmes in the Office of the Speaker including Public Participation, outreaches to communities on various issues (legislation, demarcation etc), Moral Regeneration, Initiation Season, Gender based violence and 16 days of activism, awareness of the COVID-19 pandemic, addressing social issues and other programmes.



COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Sarah Baartman DM recognises the importance of Intergovernmental Relations to improve service delivery to communities. Success in delivering government services to the people requires an integrated approach in which the three spheres of government work in collaboration and partnership with each other in terms of the principles of co-operative governance and intergovernmental relations in terms of Chapter 3 of the Constitution of the Republic of South Africa and other pieces of legislation.

The SBDM is required to compile a District Development Plan. This process commenced in this financial year. This process must lead to integrated development. This matter is covered in greater detail in the Overview of the Municipal Manager.

2.3 INTERGOVERNMENTAL RELATIONS

In the current environment of COVID-19 much of the engagement around intergovernmental relations is done through the virtual platforms.

NATIONAL INTERGOVERNMENTAL STRUCTURES

The SBDM participates in the meetings and workshops called by National Departments and

SALGA. These meetings are convened to consult with local government on matters of legislation, policy and programmes of government. Participation is by both political and administrative representatives. In addition, the SBDM is required to co-ordinate outreaches to local municipalities and communities of the district by the National departments and SALGA.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Executive Mayor represents the SBDM Premier's Co-ordinating Forum, the Political MUNIMEC comprising Province and all local municipalities in the Eastern Cape Province. In addition, the Executive Mayor and Portfolio Councillors are required to participate in the other intergovernmental forums of the Provincial Government.

The Speaker of Council also plays a key role in representing the institution and the local municipalities in the provincial intergovernmental structures. These include being a member of the Provincial Speakers' Forum and other provincial forums convened in line with the programmes of the Office of the Speaker.

Most of the above structures are supported by a Technical Structure which is attended by the Municipal Manager and senior officials.

Since the onset of the COVID-19 pandemic, the Extended Premier's Co-ordinating Forum convenes almost every week. The Executive Mayor, Municipal Manager and other officials are always part of such meetings. The senior officials also participate in the Provincial Disaster Operations Centre.

In addition the district municipality participates in forums that are dedicated for a specific purpose. These include:

- Provincial Steering Committee on EPWP
- Provincial Disaster Management Advisory Forum
- Provincial Forum on Environmental Health
- Provincial Forum for Planning
- Provincial Legal Services Forum
- Provincial Information, Communication and Technology Forum
- Provincial Communicators Forum

Meetings of the above structures are convened by the Provincial Government.

In addition, the Council is represented on all SALGA Working Groups in the Eastern Cape.

DISTRICT INTERGOVERNMENTAL STRUCTURES

In order to comply with legislative requirements and fulfill its obligations in terms of co-operative governance and intergovernmental relations, the Sarah Baartman District Municipality has established a number of district structures

- the Sarah Baartman District Mayors' Forum (DIMAFO) comprising of the Mayors of the local municipalities in the district
- the Sarah Baartman District Speakers Forum comprising of Speakers of the local municipalities in the district

Other District-wide intergovernmental forums have been established for specific purposes. They comprise of both councillors, officials and includes sector departments

- District Wide Infrastructure Forum
- District Support Team for Local Economic Development
- IDP Representative Forum
- EPWP Regional Steering Committee
- Sarah Baartman District Health Authority (SBDHA)
- District HIV and AIDS Council

At a Technical Level, the forums include the

- Municipal Managers' Forum
- Chief Financial Officers' Forum
- District Communicators Forum

The SBDM also leads the Independent Power Producers Forum. Much attention was also given to the deal with the compilation of the District Development plan in consultation with the Sector departments and the seven local municipalities. The Intergovernmental Relations Policy is due for a review and update.

MUNICIPAL ENTITIES

The SBDM has a Municipal entity, i.e the Cacadu District Development Agency (CDDA). The entity was established on 1 July 2013. Their primary goal is to embark on projects and programmes to promote economic growth and job creation to deal with the socio-economic challenges that face the District. Annually the SBDM allocates a grant to the CDDA to cover its operational and programme costs. The relationship between the SBDM and its municipal entity is governed by a Service Level Agreement, which sets out the roles and responsibilities of both parties, including –

- Main development objectives
- Reporting lines
- Monitoring of implementation of main development objectives and related performance objectives
- Financial management
- Compliance with legislation

The CDDA is also required to source its own funds and ensure its own sustainability. The operations of the CDDA are covered elsewhere in this Annual Report.

COMPONENT C: PUBLIC PARTICIPATION AND PROGRAMMES OF THE OFFICE OF THE SPEAKER

PUBLIC PARTICIPATION

The function of public participation resides with the Office of the Speaker. These include public hearings on legislative changes, engagements on the municipal demarcation processes, taking parliament to the people, initiation season, gender-based violence and 16 days of activism programmes, challenges of farm dwellers, IEC engagements, and the like. These outreaches are supported by government departments, depending on the issue at hand and the nature of the information to be disseminated.

OUTREACH CAMPAIGNS

Several outreach engagements with communities have also occurred led by the Executive Mayor and Speaker of Council.

The issues covered during these engagements include service delivery challenges in the local municipal areas, the lack of housing, the shortage of land, educational challenges at schools and social challenges.

Heritage Day Outreach Programme in Makanda during September 2022.

Older Persons Day Programme at Nompuleleo Village Community Hall, Sandrift in October 2022.

Womens Day Celebrations at Riebeeck east in August 2022.

Gender based violence still also formed part of the main topic during outreaches.

Other outreaches occurred through our HIV/AIDS Coordinator's programme in all our Local Municipalities.

All outreaches take the form of integrated campaigns requiring the attendance of local municipality representatives, provincial government, and other stakeholders.

MORAL REGENERATION MOVEMENT (MRM)

The District Municipality established its District MRM Forum and it is functional as it meets regularly and implements its programmes according to the plan of action that was developed. The District Forum also championed the establishment of local MRM structures.

Both the District structure and the local structures agreed on the various programmes that will be implemented in the local municipalities, and all conducted programmes are aimed at reviving moral fibre amongst communities in the region.

The District municipality hosted several MRM programmes.

2.4 STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT WITH LOCAL MUNICIPALITIES AND OTHER ORGANISATIONS

The SBDM's primary constituents are its local municipalities. Engagements with local municipalities occur through the intergovernmental structures as indicated previously. The SBDM also engages with stakeholders other than local municipalities. These include organized Agriculture, Non-Governmental Organisations, Organized Business and organisations that serve specific interest groups. The SBDM's interaction with communities is normally done in consultation with the local municipalities.

MAYORAL COMMITTEE IDP AND BUDGET OUTREACH TO LOCAL MUNICIPALITIES

The Mayoral Committee led by the Executive Mayor and officials of the District Municipality once again conducted IDP and Budget outreaches in the seven local municipalities in the District. The purpose of the outreach was to present the draft IDP and Budget of the District Municipality to the Councillors and stakeholders of each local municipality. Sessions were held with local municipality councillors and stakeholders representing various community groups, who were given an opportunity to raise issues. Issues that are highlighted are responded to and dealt with by referring them to the relevant sphere of government.

WARD COMMITTEES

Ward committees are the responsibility of local municipalities. The number of wards per local municipality in the district is as follows

Blue Crane Route LM	6
Dr Beyers Naude LM	14
Kouga LM	15
Koukamma LM	6
Makana LM	14
Ndlambe LM	10
Sundays River Valley LM	8

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 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

2.5A COMMUNICATION AND PUBLIC RELATIONS

COMMUNICATION

The Sarah Baartman District Municipality has developed communication as a strategic function and has established effective communication systems and structures. During the 2017/2018 there was extensive consultation on the organogram of the municipality as to whether the institution is appropriately structured to carry out its functions. The post of the Public Relations Officer was abolished and replaced with that of a Communication Officer. The public relations duties are performed by the Communication Officer. [The organogram was approved on the 4 July 2018]. As this is a new post, a job description was compiled and submitted for evaluation. The incumbent was appointed on 01 May 2020 although the job evaluation and grading process is still underway. The incumbent is required to coordinate the communications system within the district. The incumbent reports directly to the Municipal Manager.

The communication strategy of the Sarah Baartman District Municipality is reviewed every five years. The new strategy has been compiled in consultation with Government Communications and Information Systems (GCIS). A communication strategy workshop was held in June 2022 for management and council. The strategy was adopted by Council in October 2022. The strategy is aligned to the Integrated Development Plan (IDP) in that the development priorities of the Sarah Baartman District Municipality inform the messaging, themes and channels of communication. The action plan of the strategy will be reviewed in 2023 year to align itself with the local government and other spheres of government Medium Term Strategic Framework (MTSF), which sets out the actions Government will take, the targets that need to be achieved and provides a framework for the other plans of national, provincial and local government.

Communication objectives

The communication objectives of SBDM seeks to support and express the development priorities identified, which feeds into the overall vision of the district municipality, namely to be an innovative and dynamic municipality striving to improve the quality of life for all communities in the District. The communication objectives therefore are the following:

- To increase understanding of the work, role and mandate of the Sarah Baartman District Municipality amongst both internal and external stakeholders across the district.
- To encourage public participation in government processes and policies.
- To generate and maintain good relationships with the media.
- To manage the reputation of the Sarah Baartman District Municipality.
- To influence negative perceptions of stakeholders by continually communicating service delivery achievements and successes.
- To facilitate and encourage two-way communication between the Sarah Baartman District Municipality and its stakeholders, both internal and external.
- To raise awareness about various government programmes.

In the 2022/23 financial year, the communication strategy was reworked and the new strategy was adopted and served as a guideline for all related matters. The communication action plan is reviewed on an annual basis and maintained as and when it is necessary. The latter serves as a guide in respect of municipal programmes and events that require communication support or intervention.

A total of 4 official District Communicators Forum meetings were convened, with participation by both government departments and Local Municipalities.

The various components of the communication function have been decentralized within the institution, with the different responsibilities being assigned as follows:

	Responsibility
Media Relations Media statements on behalf of the Municipality, Social media management of the Municipal Facebook account, Media liaison in terms of media invitations to events and media interviews.	Communication Officer (MM is the official spokesperson)
Communications Research Content Development and Management Media Monitoring and Communication Environmental Analysis Speech Writing Website Content Management Branding and Corporate ID Distribution of key messages for Campaigns and Projects	Communication Officer Communication Officer MM's Office Communication Officer Communication Officer Communication Officer
Corporate Communications and Marketing Internal and External Communications (Community newspaper and internal newsletter) Marketing (institution and its services) Events Management Convening the District Communicators Forum and Support to Local Municipalities	Communication Officer Communication Officer Communication Officer, Speaker's Officer, MM's Office Communication Officer
Outreach and Community Liaison Inter-Governmental Relations Outreach Programmes Community Liaison Imbizo Stakeholder's Liaison and Mobilization Local Government Communication	Municipal Manager Speaker's Office Speaker's Office Speaker's Office Speaker's Office Speaker's Office

The Communications function includes all activities related to communication, marketing, publicity and media co-ordination for the Municipality and the District (geographical area). It includes:

- Promoting the Municipality by providing sufficient information to the public and staff about Municipal issues.
- Coordinating municipal events such as project launches and handovers.

- Promoting and managing the Municipality's corporate identity and public image.
- Formulating and maintaining the Municipality's Communication Strategy, while also assisting the Local Municipalities in this regard.
- Stakeholder management and media liaison.
- Production of a community newsletter.
- Internal communication.
- Photography and branding.

Strategic objectives:

- Build good relationships between the Municipality and identified target publics (internal as well as external) and stakeholders.
- To further public understanding about the Municipality's services, policies, procedures, goals and activities.
- To uphold the image and reputation of the Municipality.

Key issues for 2022/23 financial year:

- The publication of external newsletter.
- Profiling service delivery success.
- Media liaison relevant journalists and community newspapers and radio stations.
- Supporting local municipalities to ensure that all have reviewed their communication strategies.
- Updating and maintenance of the municipal website of the Sarah Baartman Municipality
- Maintenance and marketing on social media platforms.
- Providing communication, branding and media support to district events.
- Development and implementation of media campaigns for municipal programmes.
- Annual coordination of the design and production of branded calendars and diaries including stationery.

Number of personnel associated with the Communication function:

1 Communication Officer

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices, and processes by which an institution is directed and controlled. Corporate governance essentially involves balancing the interests of all stakeholders. Since corporate governance also provides the framework for attaining an institution's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The municipality has incorporated the combined assurance model to a great extent but acknowledges that the ultimate model is yet to be achieved.

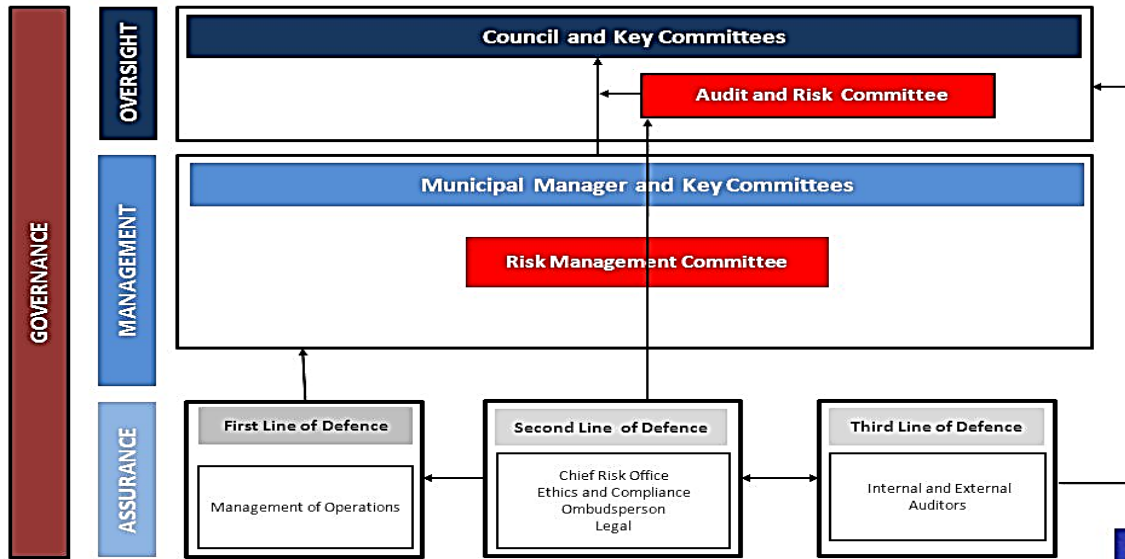
The municipality understands the Combined Assurance Model as incorporating and optimising all assurance services and functions so that, taken as a whole, these enable an effective control environment, support the integrity of information used for decision-making by management, the governing body and its committees; and support the integrity of the organisation external reports.

Some of the benefits envisaged by the implementation of this model is as follows –

- Coordinated and relevant assurance efforts are directed to the risks that matter most.
- Commitment to enhance controls is demonstrated.
- Dashboards that provide an integrated, insightful view.
- Assurance activities produce valuable, integrated data, based on collaboration and not silos.
- Reduction in assurance costs through elimination of duplication and better resource allocation.
- Resources are not wasted on unnecessary duplication.
- A reduction in the repetition of reports by different committees, resulting in improved and more efficient reporting.
- A comprehensive and prioritised approach in tracking of remedial actions on identified opportunities/weaknesses.
- Clarity on risk and audit.

The municipality considers the combined assurance model depicted below as a good starting point where corporate governance can only be enhanced thereafter.

Combined assurance model



During the year under review the municipality operated fairly well within the combined assurance model and this can be demonstrated as follows:

Assurance

Management - meetings were held regularly where the importance of governance matters was emphasized and continuous monitoring occurred.

Internal Audit – an internal audit plan was approved by the Audit and Risk Committee. The plan was implemented and reports were tabled to the Audit and Risk Committee. Internal audit therefore functioned well during the financial year.

External Audit – the municipality was audited by the Auditor-General of South Africa. The municipality achieved an unqualified audit once again, refer to section 1.6

Management

The Municipal Manager provides guidance on all operational matters when required.

A performance management system is implemented for all employees and employees must be reviewed on a quarterly basis – all key internal control and governance matters are incorporated into the performance plans of the employees.

Various committees has been set up to ensure good governance i.e. Mayoral Committee, Bid Adjudication Committee, Information Communication Technology Steering Committee, Integrated Development Plan Steering Committee, Budget Steering Committee, Investment Committee, etc.

Oversight

Council – the Council met on the approved scheduled dates of Council. Matters are deliberated extensively in Council to ensure that Councils’ resolutions are in accordance with all laws and regulations. The Council has thus functioned well during the financial year.

Audit and Risk Committee – the Committee met on the approved scheduled dates and additional meetings occurred where required. The agenda of the Committee was reviewed to incorporate all pertinent reports to ensure that the Committee carries out its function in accordance with the law. The Audit Committee functioned well during the financial year.

Municipal Public Accounts Committee - the Committee met on the approved scheduled dates and additional meetings occurred where required. The Committee approved their annual plan and all reports required where availed to the Committee. The Committee also performs oversight on the Annual Report prior to approval by the Council.

Conclusion

From the above, it is evident that the municipality is operating with a combined assurance model and that the current structures meet the minimum requirements.

The following improvements were identified and will be implemented in the following financial year –

The municipality acknowledges that risk management has not been managed effectively during the year under review and that processes must be put in place to improve risk management.

The municipality acknowledges that fraud and corruption is regarded as an inherent risk within our environment and that the necessary structures are not adequate or is not functional. Management will prioritise the establishment and functioning of the relevant structures.

2.6 RISK MANAGEMENT

Risk management is a systematic process to identify, analyse, assess, control and avoid, minimise or eliminate unacceptable risks.

Section 62(1)(c) of the MFMA places the responsibility on the Accounting Officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of risk management. National Treasury has also provided guidance to municipalities on risk management and its implementation. It is important to note that Risk Management is the responsibility of the Accounting Officer and Senior Management.

Each year a risk management workshop is held with Internal Audit to identify the strategic risks

of the municipality. Management identifies key risks which are then rated in terms of their probability and impact on the municipality. This process enables the Municipality to rank the risks in terms of priority and to develop appropriate strategies to mitigate risks. The Internal Auditors use the information in the risk register to draft the Internal Audit Plan.

The risk management workshop was held whereby the institutional risks were identified. These risks were then presented to Audit and Risk Committee where it was agreed that the individual risks identified overlaps the other risks and that the risk register must be further reviewed to eliminate any duplications and to refine some technical aspects raised by the Audit and Risk Committee. The risk register was not further reviewed due to the lack of resources resulting from the challenges within the municipality.

It was noted by the Audit and Risk Committee that risk management requires improvement within the municipality and oversight on risk management will thus be prioritized to ensure that the municipality manages its risks in a more effective manner.

2.7 ANTI-CORRUPTION AND FRAUD PREVENTION

The SBDM has an Anti-Corruption and Fraud Prevention Strategy which is due for review in 2023. The municipality also established an Anti-Corruption and Fraud Prevention Committee which is chaired by the Municipal Manager. The Committee was not fully functional during the year under review. However, being a newly established Committee, it will have its first meeting in 2023.

An Awareness workshop on Anti-Fraud and Corruption were conducted through the Office of the Premier were conducted in the financial year. The Municipality was investigating the possibility of commissioning a Hotline for the SBDM where anybody can report instances of corruption, fraud, and theft. Recommendations of the Audit and Risk Committee are included in the Council agenda and are freely available to members of the public.

2.8 SUPPLY CHAIN MANAGEMENT

Introduction

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003), requires the municipality to have and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with Supply Chain Management.

Although the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or bids, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy.

For the purposes of such oversight, Council's Supply Chain Management Policy, paragraph 6(3)(a) requires the Accounting Officer, within 30 calendar days of the end of the financial year end, to submit a report on the implementation of the policy to the council.

Purpose

To report on the implementation of Council's Supply Chain Management Policy to the Executive Mayor in terms of paragraph 6(3)(a) of the said Policy.

Policy Requirements

The objectives of the Policy are:

- a) to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, competitive and cost effective; and
- b) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto.

c) to acknowledge the provisions of:

- the Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003),
- the Competitions Act (Act No. 89 of 1998),
- the Construction Industry Development Board Act (Act No. 38 of 2000),
- the Local Government Municipal Finance Management Act (Act No. 56 of 2003),
- the Local Government Municipal Structures Act (Act 117 No. of 1998),
- the Local Government Municipal Systems Act (Act No. 32 of 2000),
- the Preferential Procurement Policy Framework Act (Act No. 5 of 2000),
- the Prevention and Combating of Corruption Activities Act (Act No. 12 of 2004)
- the Promotion of Administrative Justice Act (Act No. 3 of 2000)

Amendment of Supply Chain Management Policy

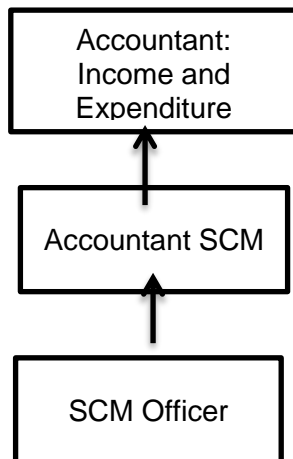
In terms of paragraph 3(1) of the Policy, the Accounting Officer must, when considered necessary, submit proposals for amendment of the Supply Chain Management Policy, to Council.

The Supply Chain Management Policy was reviewed and subsequently approved by Council on 29 March 2023.

New Preferential Procurement Policy

A new Preferential Procurement Policy was approved by Council on 29 March 2023, which takes into account the new Preferential Procurement Regulations of 2022.

Organisational Structure of SCM Unit



The Supply Chain Management Unit is fully established and functional wherein there is a Senior Accountant: Income and Expenditure, an Accountant: Supply Chain Management, and a Supply Chain Management Officer. The Supply Chain Management Unit operates under direct supervision of the Chief Financial Officer. SCM Accountant is responsible for the day-to-day management of the unit. Turn-around time on awards of quotations and bids has improved. The SCM unit is strengthening controls in terms of records management and safe keeping of the document for audit purpose.

Resignation in the SCM Unit

The following official resigned from the municipality in the year under review:

- D Domingo resigned from the SCM Officer position in October 2022.

New appointment in the SCM Unit

The following official was appointed by the municipality in the year under review:

- K Notshulwana was appointed as the SCM Officer in March 2023.

Competency Levels of the SCM Unit

Accountant SCM: BComm. Accounting
MFMP: Minimum competency level for Other Financial Officials

SCM Officer: National Diploma in Financial Information System
MFMP: Minimum competency level for other financial officials

DISCUSSION: SUPPLY CHAIN MANAGEMENT SYSTEMS

Demand Management

The Demand Management requires timely planning and management process to ensure that all goods and services which are required are quantified, budgeted for and delivered in a timely and effective manner at the right location and dates. These goods and services must be of appropriate quality and quantity at fair cost.

The SCM Unit, with the support of the Accounting Officer and the Chief Financial Officer implemented SCM via a Procurement Plan as a strategic tool to implement the budget. The procurement plan assists the SCM Unit with the planning of bid processes, and user departments with the planning of the execution and timely completion of the projects in alignment with the Service Delivery Project Implementation Plan.

In order to enhance the demand planning process, a procurement plan was developed for the 2022/23 financial year. This plan is continuously monitored.

The municipality advertised 27 bids during the year. No bids were advertised during the quarter ending 31 March 2023. This was attributable to the new Preferential Procurement Regulations of 2022, which required revision of the SCM Policy and the Preferential Procurement Policy.

Acquisition Management

The system of acquisition management must ensure the following:

- 1) that goods and services are procured in accordance with authorised processes only,
- 2) that expenditure on goods and services is incurred in terms of and approved budget in terms of section 15 of the Municipal Finance Management Act (Act No. 56 of 2003),
- 3) that the threshold values for different procurement processes are complied with,
- 4) that the bid documentation, evaluation and adjudication criteria and general conditions of contract are in accordance with applicable legislations, and

- 5) that any Treasury guidelines on acquisition management are properly considered.

Bid Committee System

A Bid Committee system for competitive bids has been established and fully operational. It comprises the Bid Specification, Evaluation and Adjudication committees. These committees meet regularly. The Accounting Officer appoints members of each committee taking into account section 117 of the MFMA.

For the 2022/23 financial year, the Bid Adjudication Committee and the Accounting Officer approved twenty-four (24) bids, amounting to an envisaged/estimated expenditure of R29 577 813.48

Appeals / Objections by aggrieved bidders

Paragraph 49 of the Municipal Supply Chain Management Regulations allows the aggrieved bidders the opportunity to lodge objections (with proper motivation) against the decision(s) taken by the Bid Adjudication Committee, within 14 days from date of notification thereof. No objections were recorded in the financial year 2022/23.

Deviations from normal procurement processes

Paragraph 36(1) of the policy allows the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only:

- i) In an emergency,
- ii) If such goods or services are produced or available from a single provider only,
- iii) For the acquisition of special works of art and historic objects where specification are difficult to compile,
- iv) Acquisitions of animals for zoos and/or nature and game reserves, or
- v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes.

An assessment is done by the SCM Unit before a deviation is authorised by the Accounting Officer to ensure compliance.

For the year under review, the Accounting Officer approved 38 deviations to the estimated value of R4 305 824.05. The deviations authorized are submitted monthly in the Section 71 report.

COMPLIANCE AND REPORTING

Advertising for suppliers to register/re-register on database

In terms of Paragraph 14 (4) of the Supply Chain Management Policy, the Accounting Officer is required to annually advertise an invitation to prospective service providers to register on the municipality's supplier database.

Advertisements were placed in the newspapers circulating in the district's local municipalities during the week ending 9 May 2022, inviting prospective service providers to register on the municipality's supplier database for 2022/2023. The municipality is also verifying the all service providers online on the Central Supplier Database.

Disposal Management

The system of disposal management must ensure the following:

- i) Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise,
- ii) Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous,
- iii) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee,
- iv) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise,
- v) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed,
- vi) Where assets are traded in for other assets, the highest possible trade-in price is negotiated.

Disposal management is done in terms of paragraph 40 of the Supply Chain Management Policy.

Risk Management

Risk Management includes:

- i) The identification of risk on a case-by-case basis,
- ii) The allocation of risk to the party best suited to manage such risk,
- iii) Acceptance of the cost of the risk in pro-active manner and the provision of adequate cover for residual risk, and
- iv) The assignment of relevant risks to the contracting parties through clear and unambiguous contract documentation.

Performance Management

Paragraph 42 of the SCM Policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of a retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Contract Management

MFMA Section 116(2) stipulates that the accounting officer of a municipality or municipal entity must—

- (a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- (b) monitor on a monthly basis the performance of the contractor under the contract or agreement.

The municipality formalised the implementation of Contract Management as from 1 July 2020. The primary focus of Contract Management is on SCM contracts above R200 000, which are procured through a SCM process. The following objectives were set for the financial year:

- The Sarah Baartman District Municipality Contract Management function be decentralised;
- Aligning the contract management procedures and systems with the rest of the SCM functions and applicable expenditure;
- Formalise and implement a new Contract Management Framework,
- The implementation of a contract management system.

A Contract Register is compiled, which contains information regarding the progress of the projects in terms of the SLA, together with project managers' comments.

Other Matters

SBDM is complying with the requirements of CSD, as stipulated in the MFMA Circular No. 81.

Monthly and Quarterly Reports

- Monthly Deviation Reports were submitted in terms of the SCM Policy for the procurement of goods and services.
- All the required quarterly reports and annual reports were submitted in terms of paragraph 6 of the Supply Chain Management policy

The officials of the SCM Unit attended the following workshops/information sessions during the year under review:

On 6 September 2022, the SCM Officer attended the SBDM Heritage Day Outreach preparation meeting in Willowmore, Dr Beyers Naudé Local Municipality. The focus of the day was to present the National Treasury Central Supplier Database to prospective service providers and to encourage them to register on the SBDM's supplier database.

The SCM Accountant and the Chief Asset Clerk attended the Provincial SCM and Asset Management Forum in East London on 21 September 2022. The aim of the forum was to highlight the non-compliance areas common in the municipalities and their effect on the irregular expenditure.

On 14 December 2022, the Accountant Supply Chain Management, and two (2) Finance interns attended the Provincial Preferential Procurement Regulations 2022 workshop facilitated by Provincial Treasury. The aim of the workshop was to capacitate municipal officials on the new procurement regulations to be used as from 16 January 2023.

On 22 March 2023, the Snr Accountant: Income & Expenditure, Accountant: SCM and the SCM Officer attended the District SCM Forum facilitated by Provincial Treasury. The focus of the forum was to get progress from the municipalities on the implementation of Preferential Procurement Regulations of 2022.

Awards to close family members of persons in the service of the state

Prospective suppliers are required to declare whether they have any close family members in the service of the state. Such declaration does not prohibit the municipality from conducting business with the service provider but are disclosed in the Annual Financial Statement.

Challenges

The following challenges and constraints are in existence:

- i) Poor planning by requestors results in additional pressure being put on SCM Unit, e.g., travel requirements, catering, advertisements, etc., which does not always allow for sufficient time for the SCM Unit to follow proper procurement processes.
- ii) CSD still does not verify certain information, i.e., B-BBEE levels, CIDB grading, nor does the system require municipal billing clearance information.
- iii) A memorandum was forwarded informing staff that all purchase requisitions must be submitted to the Procurement Section by 31 May 2023, in order to facilitate timeous processing of payments for the 2022/2023 financial year. 28 Requests for Quotes were submitted subsequent to 31 May 2023

Solutions and Way Forward

Solutions and controls for the challenges and constraints above are:

- A memorandum was forwarded to all users, informing them that SCM Unit has 5 working days in which to process an order. Therefore, all requestors must endeavour to adhere to this.
- CSD supplier reports are printed and attached to all orders, to provide assurance of certain information, e.g., restricted supplier information, tax clearance validity, in the service of the

state, etc. B-BBEE levels, CIDB gradings and municipal billing clearances are requested for formal quotations and bidding processes.

Conclusion

The Sarah Baartman District Municipality has been implementing the Supply Chain Management Regulations diligently through the Supply Chain Management Policy.

Sarah Baartman District Municipality continuously strives not only to ensure compliance to legislative frameworks, but also to improve administrative and procedural efficiency, thereby giving effect to its Constitutional mandate.

2.9 BY-LAWS

No by-laws were developed during the year under review

2.10 WEBSITE

Documents published on the Municipality's Website (2022/2023)	Yes / No
Annual budget Adjustment budget	Yes
All current budget-related policies	Yes
The previous annual report (year 2021/22)	Yes
The annual report (year 2022/23) draft published.	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2022/2023) and resulting scorecards: Directors Municipal Manager	Yes
All service delivery agreements (Year 2022/2023)	Yes
All supply chain management contracts above a prescribed value for Year 2022/2023	Yes
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2022/2023	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 Year 2022/2023	
Contracts agreed in Year 2022/23 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	
Public-private partnership agreements referred to in section 120 made in Year 2022/23	
All long-term borrowing contracts (Year 2022/23)	

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75(1)(a) – (l) of the MFMA is fully complied with, in that all content required to be placed on the municipal website is done so except for those that are not applicable to the Municipality. The SBDM has developed a new website which went live April 2022. We have experienced some challenges in the development of the website and are continuing to address issues regarding to the site.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

During the financial year under review, no customer satisfaction or public satisfaction surveys were conducted by the District Municipality with regards to its own functions. In addition, the public satisfaction survey that was envisaged for communities to assess the services of local municipalities did not occur.

CHAPTER 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

INTRODUCTION

As stated earlier in this report (See 1.3 Service Delivery Overview), services in the Sarah Baartman District are primarily rendered by the local municipalities. These include water, sanitation, electricity, road maintenance and community services.

See Performance Scorecard in Component K of this chapter which indicates the various projects undertaken by the SBDM, some of which pertain to these services. The projects are implemented in the local municipality areas.

COMPONENT A: BASIC SERVICES

3.1-3.6 NOT APPLICABLE AS WATER, SANITATION, ELECTRICITY, WASTE MANAGEMENT, HOUSING AND FREE BASIC SERVICES ARE PROVIDED BY LMs

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and stormwater drainage.

INTRODUCTION TO ROAD TRANSPORT

Roads, transport and stormwater drainage are not functions of the District Municipality. The SBDM however; does carry out the function of Transport Planning for the District.

The District Municipality has since compiled a District Integrated Transport Plan (DITP) with a key objective and goal is to provide appropriate and cost-effective infrastructure and services within the District, supplementing and complimentary to the infrastructure being upgraded and provided to our government. To reduce the number of traffic accidents on the Provincial Road Network, to increase accessibility and mobility to public transport and the utilization of transport services and improvement and integration of transport planning that will lead to improved efficiency and encourage our local municipalities and operators to participate in the planning process.

3.7 ROADS

In the endeavor to assist and support our Local Municipalities in the District, SBDM applied for funding to the Department of Transport for rehabilitation and upgrading of taxi routes roads for all Local Municipalities.

Our request was approved and the District was allocated an amount of R 50 000 000 for Makana Local Municipality for various taxi routes. An amount of R 5 000 000 was transferred to the District Municipality in order to initiate planning and quantification of taxi routes.

Consolidated Business Plan for all Makana Roads was compiled through the RRAMS that had an estimated amount of R 263mil.

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

In the SBDM, this function is limited to transport planning only. It Includes all activities related to transport planning for the entire District in accordance with the National Land Transport Act, No. 5 of 2009 (NLTA).

Statistical information not applicable as function is limited to planning only.

The road transport function of the municipality is administered by the Department: Infrastructure Development and Community Services and includes:

- Review of the Integrated Transport Plan through the provision of a five-year prioritized implementation programme for the improvement of the transportation system within the District.
- Identifying infrastructure and public transport needs in the District.
- Lobby for funding for transport infrastructure
- Promote road safety in the District.
- Construction of public transport facilities including sidewalks
- Formulate guidelines for transport planning purposes.

The Strategic Objectives of this function are to:

- To promote mobility
- Promote non-motorized vehicle usage.
- Promote public transport usage.
- Improve existing public transport facilities.

- Improve SBDM road conditions.
- To promote an integration between spatial planning and transportation planning to achieve sustainable human settlements
- To provide technical support to the Local Municipalities

Key Issues for 2022/23

- Development of the Business Plan for Funding Municipal Roads Kouga Local Municipality;
- Development of Stormwater Management Plans for 4 Local Municipalities
- Completion of a District Integrated Transport Plan
- Round 2 Road Visual Condition Assessments were completed in September 2022.
- Condition inspections of bridges and major culverts
- A Business Plan was prepared for Makana LM to upgrade the Transportation Routes
- Preparation of a Road Asset Management Plan;
- Processing, Quality control, processing and analysis of road visual condition data.

Rural Road Asset Management Systems (RRAMS)

The National Department of Transport, as part of the S’Hambe Sonke Programme, has provided grant funding for the implementation of Rural Road Asset Management Systems (RRAMS) as set out in the framework for the Rural Road Asset Management Systems (RRAM), Division of Revenue Act (DoRA). The strategic goal of the RRAMS Grant is to ensure efficient and effective investment in rural roads through the development of Road Asset Management Systems (RAMS) and the collection of associated road and bridge inventory data condition assessments and traffic information. Improved data on rural roads will guide infrastructure investment, improve accessibility to and mobility of rural communities.

The District Municipalities (DM’s) within the Eastern Cape that have received the grant funding, are following a collaborative approach with the Provincial Department of Roads and Public Works (Eastern Cape), to ensure a uniform and integrated end-product within the Eastern Cape. This ensures consistency of data, an integrated and complete provincial database and allows a substantial saving in both time and cost. Over the past year, this collaboration has proved to be a highly successful and productive approach.

The road network within the Sarah Baartman District falls under the jurisdiction of three (3) levels of authority who are each responsible for a specific road network, namely:

- The South African National Roads Agency Limited (SANRAL), who are responsible for National roads that traverse the district;
- The Eastern Cape Department of Roads & Public Works (EC DRPW), who are responsible for the Provincial roads, i.e. Trunk, Main, District and Minor roads within the district; and
- Seven (7) Local Municipalities, who are responsible for all Municipal roads.

The network contained in the RRAMS for the District includes the total length of 974 km of surfaced (paved) roads, 893 km of gravel and earth (unpaved) roads, 37 bridges and major culverts, 341 traffic counting stations and all the ancillary road furniture along the network.

The total length of the paved road network is 987.6 km (53.3% of the network) and unpaved network is 865.8km (46.7% of the network);

The Sarah Baartman District Municipality is one of the municipalities that are receiving the grant and was allocated the following budgets over the three-year life-cycle of the RRAMS Grant:

- 2020/21 – R 2 258 000.00
- 2021/22 – R 2 289 000.00
- 2022/23 – R 2 396 000.00

The allocation for 2022/23 financial year was fully spent.

The technical part of the RRAMS Programme continues to proceed well. The primary challenge lies in the absorption of the Candidate Technicians into the Local Municipalities and District Municipality structures.

Number of all personnel associated with the road transport function:

- 1 x Project Management Unit: Manager
- 1 x Senior Civil Technician
- 2 x Civil Engineering Interns

3.9 STORMWATER DRAINAGE

Not applicable

COMPONENT C: PLANNING AND DEVELOPMENT

The District Municipality is responsible for Regional Planning and Economic Development

3.10 - PLANNING

This includes all activities relating to the formulation, monitoring of implementation, evaluation and review of strategic plans for the entire district. It also includes assistance to local municipalities with processing of applications for land use planning and development.

Description of the Activity

The function of **Integrated Development Planning and Spatial Planning** is administered by the Department: Planning and Economic Development. The main Planning activities include the formulation of the institution's **strategic** plans; IDP and SDF, monitor and support those implementing the plans, and review the plans annually, in terms of Chapter 5 of the Municipal Systems Act 32 of 2000 (including notice R796 regulations) and in terms of the Municipal Finance Management Act 56 of 2003.

Key issues for 2022/2023

SBDM has invested in the process of ensuring all its local municipalities become compliant to SPLUMA. This has resulted in the district investing its own funding to finance planning tools for over 5 years. The district is getting closer to having SPLUMA compliant Local Municipalities in terms of legislation. The challenge that is starting to reveal itself is the problem of personnel within our Municipalities. This is resulting in the collapse of processes and procedures that form the bases of municipal planning. SBDM needs to advocate for the establishment of planning units in municipalities and the appointment of planning professionals.

SPLUMA compliance and capacity at the district

Municipality	Authorised Official	By Law Gazetted	MPT Option	Call for Nominations	MPT Gazetted	Appeal Authority Established	Capacity			Comments
							Planner	GIS	Admin	
Koukamma	YES	YES	SINGLE	YES	YES	YES	0	0	0	No planning unit, Planning manager appointed to start new financial year
Kouga	YES	YES	SINGLE	YES	YES	YES	3	1	1	Good planning capacity
Blue Crane	YES	YES	DISTRICT	YES	YES	YES	0	0	0	No planning capacity
Makana	YES	YES	DISTRICT	YES	YES	YES	2	0	1	adequate planning capacity, but has lost planners this financial year
Ndlambe	YES	YES	SINGLE	YES	YES	YES	1	0	1	Adequate Planning capacity, has lost two planners
Sundays River	YES	YES	DISTRICT	YES	YES	YES	1	0	0	Limited Planning capacity, no unit established. Planner has no admin support
Beyers Naude	YES	YES	SINGLE	YES	YES	YES	1	0	1	Limited planning capacity, unit with limited support

The District has made strides in pursuing district wide compliance of the Spatial Planning and Land use Management Act of 2013 (SPLUMA), with most all our municipalities having established functional Municipal Planning Tribunal. The tribunals being the first term since the enactment of SPLUMA, there have been a number of challenges due to municipalities and tribunal members being part of this type of decision-making process for the 1st time.

MPT Name	MPT Term of Office	
	Establishment date of MPT	End date of MPT
SBDM MPT (SRVM, Makana & BCRM)	30 Nov 2020	29 Nov 2023
Kou-Kamma (SINGLE)	1 October 2015	30 September 2020 (new appointment of MPT Chairperson by Council from 1 November 2020 for 3 years).
Kouga (SINGLE)	14-03-2017	14-03-2022
Ndlambe (SINGLE)	8 October 2018	October 2023
Dr Beyers Naude (SINGLE)	2 nd August 2018	1 st August 2023

Challenges:

- Continuous postponement of meetings due to poor attendance by members
- Differing items due to poor quality reports from LMs causing delay in development.
- Tribunals overstepping their authority with the applicant.
- Delays in the finalising of applications
- Lack of commitment from appointed members
- Administrative expertise in managing the resolutions of tribunal, exposing municipalities to possible litigation.

Compliance of SDF and ILUS

Municipality	SDF		Zoning Scheme / ILUS		Comments SDF & Zoning Scheme
	Yes/No	Year	Yes/No	Year	
Blue Crane Route	Under review	2022-23	Under review	2021	Final draft awaiting Council adoption
Makana	yes	2019	yes	2019	Compliant
Dr Beyers Naude	Under review	2022-23	partly	2015 (Camdeboo)	Funded by DALRRD to review SDF and ILUS
Kouga	Yes	2020-21	Yes	2021	Compliant
Kou-Kamma	Under Review	2022-23	Under review	2022-23	Final draft awaiting Council adoption
Ndlambe	Yes	2023-24 (adopted May 2023)	Yes	2019	Compliant
Sunday River Valley	Yes	2023-24 (adopted June 2023)	Yes	2023-24 (adopted June 2023)	Compliant (to be gazette)

KOUKAMMA SDF AND ILUS

SBDM appointed Umhlaba consulting to assist in the drafting of KLM Spatial Development framework and Land use scheme.

The KouKamma project started slowly because of challenges with securing meetings with the Municipality. The Municipality has identified the Project Steering committee, the project is its final phase: adoption and gazetting. The Koukamma Municipality had indicated that the Spatial Development Framework and Integrated Land Use Scheme would be adopted by council at the end of May 2023, the council assured that the item would be in the June 2023 Council meeting for adoption. As it stands currently, the municipality's SDF and Zoning Scheme will not be SPLUMA compliant at the beginning of the 2023-24 financial year. This will mean that no applications can be processed by the municipality until compliance is attained.

BLUE CRANE ROUTE SDF AND ILUS

The Blue Crane Route project is being driven by Urban Dynamics. The Project is also on its final phase: adoption and Gazetting. The project has faced a number of challenges, causing delays in the completion of the project. The one challenge that stands out is the issue of capacity within the municipality to drive the planning function. The municipality needs to appoint a planning professional urgently. the Municipality has indicated that it will submit the draft documents for final approval before the July Council meeting. This will mean that the municipality's SDF and ILUS will not be compliant with SPLUMA at the start of the 2023-24 financial year. This will mean that no applications can be processed by the municipality until compliance is attained.

SUNDAYS RIVER VALLEY SDF and ILUS

SRVM had requested assistance with the funding of their SDF and ILUS, this was based on the financial challenges the municipality is facing. SBDM Council approved the funding, and an SLA was entered with SRVM. The Project with Sundays River valley has been finalised, council adopted the SDF and ILUS in the Council Meeting of June 2023.

DISTRICT TECHNICAL PLANNING SUPPORT

Tribunal Progress

The current term of tribunal members is coming to an end of 2023 calendar year, Municipalities will need to address some of the challenges that are delaying development, specifically dealing capacity limitations in the planning unit/departments.

Below is a Register of decisions taken by the tribunal during its term of operation:

DATE	APPLICATION	ERF/FARM	MUNICIPALITY	DECISION
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11/02/2022	Special Consent(cellphone tower)	Erf 3015	Blue Route	Crane	Approved
16+ 30/09/2022	Special Consent (Day care)	<ul style="list-style-type: none"> • 4116 (Grahamstown) 	Makana		Not approved
30/09/ 2022	REZONING AND SUBDIVISION OF	<ul style="list-style-type: none"> • Portion 43 Of Farm No. 121 	Blue Route	Crane	Deferred for additional documents
29/07/2023	Rezoning AGRICULTURE & RENEWABLE Energy	<ul style="list-style-type: none"> • Portion 2 Of Farm No. 222 • The Farm Leeuw Fontein No. 221 • Portion 1 Of The Farm Brak Fontein No. 220 • Farm No. 225 	Blue Route	Crane	Approved
29/07/2023	Rezoning AGRICULTURE & RENEWABLE Energy	<ul style="list-style-type: none"> • Remainder Of The Farm Brak Fontein No. 220 • The Farm Vogel Fonteyn No. 219 • Remainder Of The Farm Brakke Fonteyn No. 218 • Portion 2 Of The Farm Brakke Fonteyn No. 218 • Portion 1 Of The Farm Brakke Fonteyn No. 218 	Blue Route	Crane	Approved
	Rezoning single residential I to general residential zone IV and departure of building lines	Erf 7261 Rini	Makana		Not Approved

Technical Planning Support

SBDM is a member of the Ndlambe Planning Tribunal and has been an active participant since it was established.

The Manager Development Planning serves as the technical Advisor to the Dr Beyers Naude Planning Appeal Authority.

BCRM is getting assistance from SBDM with establishing systems for spatial planning function. The Manager: Development Planning does weekly visits to the municipality.

Number personnel associated with the Planning function:

- 1 x Development Planner
- 1 x Manager: Development Planning
- 1 x GIS Specialist

3.11 - STATUS OF THE DISTRICT DEVELOPMENT MODEL

The purpose of the Sarah Baartman District DDM One Plan is:

- To give effect to the **District Development Model (DDM)** approved by Cabinet as a practical method to improve service delivery and development impact in the Sarah Baartman District Municipality space through integrated planning, budgeting, and delivery by all three spheres of government working together with stakeholders and communities.
- To localise and synergise the **National Development Plan (NDP)**, the Medium-Term Strategic Framework (MTSF), National Spatial Development Framework (NSDF), Integrated Urban Development Framework (IUDF) and key national and provincial sector policies/strategies/plans with socio-economic and spatial development logic of the Sarah Baartman District Municipality.
- To express a **coherent and predictable government approach in relation to these key priorities** through a **Long-Term Strategic Framework (One Plan)** for growth and development of the Sarah Baartman District Municipality space that is co-produced by all three spheres of government together with stakeholders and communities.
- To enable a programmatic Intergovernmental Relations approach in relation to Sarah Baartman District Municipality through implementation of the One Plan that will serve as an impact performance framework tracking the commitments and spending of national and provincial sector departments and the Sarah Baartman District Municipality according to the **shared vision** and desired future development of Sarah Baartman District Municipality and its people.
- To create an **environment** which is conducive for **investment**.
- To stabilize **governance and financial management practices** in the Sarah Baartman District

This One Plan presents a cohesive planning strategy with the overall Vision 2050 being:

“By 2050 the Sarah Baartman District will be a vibrant and productive district based on its participative, people-centred, developmental approach.

A district steeped in agricultural wealth and opportunity, well renowned for its diverse and rich tourism industry, and a leading light in alternative and renewable energy creation. Our district will deliver efficient public services, educational opportunities and health support grounded in our commitment to ensure a truly democratic dispensation for all our people.”

The vision is supported by several sub-visions to highlight the importance of the **six key development goals** being:

- Demographic change and people development
- Economic positioning
- Spatial restructuring and environmental sustainability
- Infrastructure engineering
- Integrated service provisioning
- Governance and finance

Each of these development goals has been attributed specific strategies and received a set of indicators or targets to which the district can constantly aspire to achieve, and which will also create the opportunity to constantly measure our progress and success rate.

The SBD One Plan was noted by Council on 30 August 2021.

3.12 - LOCAL 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. Key driving principle to the definition is People at the centre, encourage cooperation amongst role players and a shared vision in the municipal area/jurisdiction.

As a programme, LED is intended to maximise the economic potential of the seven municipal localities throughout the District 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.

3.13 SMME Development Funding

Currently, to access funds for LED, municipalities either employ funds generated locally to implement municipal-led activities, such as through the levying of rates and taxes, or funding can be derived from higher tiers of government.

Generally, however, LED in local municipalities has no secure funding sources and often relies on grant funding. The role of local and international NGOs and donors is of great importance in accessing and making available funds for local development projects.

The District Municipality budgeted in the 2022/23 Financial Year to fund SMME development initiatives and Cooperatives that are supported by Local Municipalities included in their IDPs.

There are four basic driving thrust/focus areas to consider in 2022/23 financial year:

- Job creation and Entrepreneurship development – Start Ups
- Manufacturing and support of community-based service sector
- Funding mobilisation through partnerships
- Tourism Development

SMME	MUNICIPALITY	ADDRESS	RECOMMENDED AMOUNT
ZINOTHANDO BAKERY	BCRM	328 Cotani Street, Bongweni Location, Cookhouse,5820	R100 000
LANGMAN UPHOLSTERY	SRVLM	1925 Hani Street, Nomathamsanqa Addo; 6105	R100 000
QHAMANI WOODWORK	DBNLM	SPOORWEG, Graaff-Reinet, 6820	R100 000
YABANTLE IMVELO PTY LTD	KOUGA LM	2074 MJIJWA Street, Centerton Location, Hankey, 6350	R100 000
SANNA JOSEPH	SRVLM	108 Dubula Street, Moses Mabhida, Kirkwood, 6120	R120 000
BE KIND ENTREPRENEURSHIP PROGRAMME	KOUKAMMA & KOUGA AREA	River Mouth, Tsitsikamma: Untouched Adventures Offices, Storms River	R200 000
JAKES SHISANYAMA	KOUKAMMA LM	46 Storms River, Tsitsikamma,	R50 000
MTHONYAMA PRIMARY COOPERATIVE	NDLAMBE LM	1132 Ntente Street, Port Alfred, 6170	R50 000
YONZ TRADING SELF CATERING	NDLAMBE LM	18 York Street,Port Alfred, 6170	R75 000
PAVAROTI HAIR SALON	MAKANA LM	17 New Street, Grahamstown,6139	R50 000
SMME	MUNICIPALITY	BUSINESS ADDRESS	

ECO-AGRI SOLUTION	SRVLM	3674 Makhaleni, Valencia, Addo, 6105	R60 000
THABO J EXPRESS PTY LTD	MAKANA LM	6 Link Street, Grahamstown	R120 000
JOHN TEE'S PROJECTS	KOUGA LM	3 Mccabe Ext. 4, Hankey, 6350	R100 000
BASI IT SOLUTIONS	NDLAMBE LM	Upper Caxton Farm, Shaw Park, Buthurst,	R200 000
BUSH GUEST HOUSE	DBNLM	8 Murray Street, Graaff Reinet,	R70 000
S&A DELIGHT & EVENTS	SRVLM		R65 000
ISANGE INKOSI PRIMARY COOPERATIVE	SRVLM	2422 Duka Street, Nomathamsanqa Location, Addo, 6105	R80 000
XCOTTA GENERAL TRADING	NDLAMBE LM	1831 Runeli Drive, Port Alfred, 6170	R100 000

3.14 Trade and Investment Promotion



3.15 Tourism Development and Marketing

Tourism does not only contribute to the region's economy by creating jobs but also showcases the different historical, natural, and cultural attractions for both domestic and international tourists.

The Sector can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips.

Key issues for 2022/2023

TOURISM DEVELOPMENT AND DESTINATION MARKETING

Sarah Baartmaan participation on the World Travel Market Africa (WTM) - 2023

The **World Travel Market Africa** is one of the largest tourism marketing events and only Inbound & Outbound Business to Business (B2B) travel trade show on the continent. It is amongst the top three (3) 'must visit' of its kind on the global calendar and the only event where you can simultaneously generate sales leads, launch new products, enter new markets, raise brand awareness, size up your competition, conduct market research, command press attention, and develop and maintain relationships. It also showcases the widest variety of the world's best tourism products and attracts visitors from across the world. It presents a diverse range of destinations and industry sectors to South African, African and International travel professionals. Delegates include international and national tourism associations, product owners, the media and exhibitors globally.

Each year, WTM is held at the Cape Town International Convention Centre (ICC). The exhibitor categories include the following:

- ❖ Accommodation,
- ❖ Tour operators,
- ❖ Game lodges,
- ❖ Transport,
- ❖ Online travel,

- ❖ Luxury products
- ❖ Hidden Gems
- ❖ Media publications and
- ❖ Industry associations.
- ❖ Outdoor exhibitors (transport, camping and safari companies)

There are four main reasons to exhibit at tourism trade shows, namely:

- Increasing tourists into the region/sales (in the case of product owners) and reinforcing market share
- Increasing share of market and getting tourists to buy more.
- Introducing new products, including, but not limited to tourism regions/nodes and routes.
- Positioning or repositioning an organization, its brand, products, and services.

SBDM derived a series of measures to protect and rejuvenate supply, reignite demand and strengthen enabling capability. Participation in the WTM 2023 exhibition show is very important as it assists in exposing the region's tourism offerings to the world. This platform is a great opportunity for the district tourism industry players as it puts our 7 Wonders tourism brand in front of buyers, influencers, and tens of thousands of potential customers as the industry is slowly recovering.

This Expo was not just a 3-day event, but an event that have positive impact resulting in meaningful deals that hit the bottom-line of the South African trade, with long-term spin offs culminating in job creation and an economic boost for the country which then benefits the district as a tourist destination. It also provides a network galore throughout the show where attendees join queues as soon as the Cape Town International Convention Centre opens its doors, to secure a prime spot to make significant business connections with participating exhibitors. This year it was reported that over 100 countries were represented. From these networking sessions we come out full of invaluable insights about the industry trends and innovations and we become more confident about outcomes as we robustly market the region and/or popularize the brand.

District Participation

WTM took place on the 03-05 April 2023. As usual, Sarah Baartman District Municipality created a platform for all the Local Tourism Organisations to partake on the travel trade show to showcase

their nodal areas and tourism products. This platform was also created for tourism stakeholders to market the region in a coordinated manner as a collective under the 7Wonders brand.

Representation was from the following tourism offices:

1. Addo Tourism
2. Baviaans & Gamtoos Tourism
3. Makhanda Tourism
4. Jeffreys Bay & St Francis Tourism
5. Sunshine Coast Tourism
6. Tsitsikamma Tourism

Blue Crane Tourism and DR Beyers Naude did not have representation.

The Sarah Baartman District Municipality was represented by the following:

- Portfolio Councillor (Finance Department) as delegated by Executive Mayor on behalf of PED Portfolio Councillor (03 - 05 April 2023)
- Planning and Economic Development (03 - 05 April 2023)
- Project Manager: Tourism and Marketing (02 – 06 April 2023)
- Admin PED (02 - 06 April 2023)

As tourism is a shared responsibility between DM and LMs, All Local Municipalities were invited to participate but only Kouga LM was able to attend.

Team Roles and responsibilities

The Team managed all activities on the exhibition stand, met with different tourism industry players as per scheduled appointments and attended different tourism-related workshops and seminars. Some met with different tour intermediaries and facilitated travel trade, attended networking and collaborative sessions, and represented SBDM 7 Wonders when invited to interactive sessions by other organizations.

In addition, the Project Manager: Tourism and Marketing assisted by the PED Administrator were manning the “Seven Wonders” reception area, handling enquiries by media and external tourism industry role players. The other role was dissemination of the “Seven Wonders” packaged branding/marketing material, applying useful control of information dissemination.

The Portfolio Councillor: Finance, PED Manager (SBDM) and Acting Manager: Planning and Economic Development (Kouga) were meeting with tourism industry players, attending tourism-related seminars and represented the Sarah Baartman region on tourism bilateral sessions.

Impact to date

On the last day of the expo, an evaluation meeting was held with all regional stakeholders in attendance. It was unanimously agreed that SBDM continues to create similar platforms so as to market the region as a preferred destination and through events, whilst busy exposing the 7 wonders brand to the world.

Since the above-mentioned expo, new tourism businesses and partnerships for some LTOs are in progress, i.e., Airbnb, Sobona business development & incubation and Travel Africa network. We believe that many opportunities are still yet to come as it is still early days to measure the impact.

SARAH BAARTMAN DIGITAL MARKETING CAMPAIGN

SBDM derived a series of measures to protect and rejuvenate supply, reignite demand and strengthen enabling capability. These actions are aligned to the National and Provincial tourism activities. The District Municipality undertook to ensure that the district is marketed locally and internationally. This is achieved through increased awareness through digital marketing initiatives and intense marketing activations that are taking place across the board.

2022/23 FINANCIAL YEAR KEY PRIORITIES

- Key focus on tourism development and destination marketing
- Ensure brand alignment and encourage cooperative marketing and communication.
- Strategic focus on seasonality
- Build online presence both nationally and internationally.

The Sarah Baartman District Municipality continued to roll-out its "Seven Wonders" campaign, in terms of which seven tourism destinations within the district were vigorously marketed through

airport campaign, promoting the region under 7 Wonders brand as a destination of choice. This campaign has been running for 3 months (from 8th February till 08 May 2023) and was targeting both domestic and international source markets.

WHY ADVERTISE IN AIRPORTS

Audience Effectiveness:

- The environment enables targeting of particularly affluent consumers, identified as significant and influential decision-makers.
- Located within a captive environment, these travellers are in a receptive state of mind and have purchasing power.
- They are therefore a premium audience.

Engagement:

- The media intervention along the passenger journey provides an unavoidable distraction via multiple touchpoints.
- Media serves not only to entertain, raise awareness, and drive engagement, but also directly influence at the point of purchase when time to indulge is freely available.

Value Extraction:

- Advertising in the airport is cost-effective with low wastage values.
- Coupled to consistently high levels of audience reach, it provides an effective messaging platform within a captive and highly targeted environment.

THE AIRPORT CAMPAIGN

SBDM contracted Provantage Media group (Airport Ads) who hold the exclusive rights to the following:

1. 6 ACSA airport sites for washroom advertising. **(No SBDM activation)**
2. Airport TV network located across ACSA network of 9 airports.

Out of 9 airports SBDM utilised airport TVs only in 3 Regional airports i.e., Dawid Stuurman (GQ), King Phalo (EL) and Bram Fischer (BFN)

3. Visionet (large- format digital) across ACSA 3 international airports

SBDM utilised Lanseria (JHB) and all 3 international airports i.e., OR Tambo (JHB), King Shaka (DBN) and Cape Town (CPT)

4. Various static and activation sites located across all ACSA airports **(No SBDM activation)**

FLIGHTING LOG

The table below illustrates how the adverts for Sarah Baartman tourism attractions were flighted during the campaign.

VISIONET (BILLBOARDS)

CAPE TOWN INTERNATIONAL AIRPORT		
DATE	FLIGHTING	TOTAL
8 – 28 Feb 2023	8,493	30,602
1 – 31 Mar 2023	12,443	
1-30 April 2023	9,666	
OR TAMBO INTERNATIONAL AIRPORT		
DATE	FLIGHTING	TOTAL
8 – 28 Feb 2023	8,493	29,122
1 – 31 Mar 2023	11,152	
1-30 April 2023	9,477	
KING SHAKA INTERNATIONAL AIRPORT		
DATE	FLIGHTING	TOTAL
8 MAR – 7 APR 2023	14,121	28,695
8 APR – 7 MAY 2023	14,574	

	OVERALL TOTAL FOR VISIONET	88,419

AIRPORT TVs

3 REGIONAL AIRPORTS (GQ, EL & BFN)		
DATE	FLIGHTING	TOTAL
1 – 28 Feb 2023	2519	6,875
1 – 31 Mar 2023	3136	
1-16 April 2023	1580	
	OVERALL TOTAL OF ADVERTS ON AIRPORT TVS	6,875

PASSENGER VOLUME ANALYSIS MAY 2019 VS MAY 2023 (source ACSA)

Below is the summary of the passenger volume analysis:

This analysis is a comparison of pre covid (2019) & post covid era. Numbers for both domestic and international travelers increased drastically post covid.

- A Total 2,782,903 passengers passed through the ACSA airports in May which equates to 87% of passengers compared to 2019 of the same month.
- A Total of 1,993,999 passengers travelled domestically which equates to 89% of passengers that travelled domestically in May 2019.
- Domestic travel at the 3 Major Airports i.e., OR Tambo, Cape Town and King Shaka International Airports combined equated to 1,717,449 passengers which equals 89% of 2019 domestic passenger travel during the May month period.
 - A total of 785,822 domestic passengers used OR Tambo Int. Airport which equates to 89% of May 2019
 - A total of 548,762 domestic passengers used Cape Town Int. Airport which equates to 90% of May 2019

- A total of 382,865 domestic passengers used King Shaka Int. Airport which equates to 87% of May 2019
- Domestic travel to and from the Coastal Regional ACSA Airports achieved 91% of May 2019
 - Chief Dawid Stuurman Int. Airport (GQ) = 84%
 - George Airport = 100%
 - King Phalo Airport (E.L) = 93%
- The total domestic travel to and from the Inland Regional ACSA Airports i.e. Kimberly, Upington and Bloemfontein Airports achieved 98% of May 2019.
- A total of 706,605 passengers travelled internationally which equates to 82% of passengers that travelled internationally in May 2019.
 - OR Tambo = 75%
 - Cape Town = 110%
 - King Shaka = 95%
- Lanseria Int. Airport total passenger numbers in May 2023 amounted to 113,085 indicating a 1% decline from April 2023.

Data above displays the influx of passengers in airports where we advertise Sarah Baartman District key tourism sites. It is therefore evident that our adverts have reached a large and diverse audience. TV and billboard advertising are effective ways to convey a message especially when creating brand awareness.

To date, we have been receiving inquests from different people who have seen our adverts from the airports, enquiring about our 7Wonders and attractions. Based on the feedback received from Local Tourism Organisations in the region, Tsitsikamma and Addo areas have been receiving the most tourists through this campaign. We envisage that this campaign will have a more positive impact in the future for Sarah Baartman Region at large.

Participation in Africa Travel (Tourism) Indaba 2023

Africa's Travel Indaba is an iconic African leisure trade show, owned by South African Tourism, with the specific objective of creating market access for vast array of African leisure tourism Products. This expo is organised by Synergy Business Events (Pty) Ltd.

Africa's Travel Indaba is a 3-day trade show preceded by a dedicated Business Opportunity Networking Day (BONDay) which seeks to create a platform for thought-leadership, knowledge sharing and obtaining the latest in global trends and local insights. The BONDay programme is developed in close collaboration with the global tourism organisations, continental experts as well as industry associations.

The trade show exists to provide the ideal platform for African tourism exhibitors to showcase their offerings to international and local buyers, destination marketing companies and leisure tourism services partners. It is the most formidable platform on the continent for you to meet face-to-face with the most influential buyers in the world, and to gain access to Africa's excellence and

its endless possibilities. These are the business opportunities and quality connections that will shape Africa's tomorrow.

The Africa Travel Indaba (TOURSM INDABA) is one of the largest tourism marketing events on the African calendar and one of the top three (3) 'must visit' events of its kind on the global calendar. Delegates include international and national tourism associations and product owners, the media, and exhibitors from throughout southern Africa.

Africa's Travel Indaba brings together a showcase of Southern African tourism products and services for the international travel trade. Each year the Indaba is held at the Durban International Convention Centre (ICC). Exhibitors in the Durban Exhibition Centre (DEC) include provincial authorities and provincial products. This year it was on the 9th to 11th of May 2023.

There are four main reasons to exhibit at tourism trade shows, namely:

- Increasing tourists into the region/sales (in the case of product owners) and reinforcing market share
- Increasing share of market and getting tourists to buy more
- Introducing new products, including, but not limited to tourism regions/nodes and routes
- Positioning or repositioning an organization, its brand and products and services

The success of INDABA 2023 was not seen only in terms of the numbers of exhibitors, buyers and media attending, but also in terms of the quality of meetings and business linkages forged. An assumption is that the Indaba will have positive impact that will result in meaningful deals that hit the bottom-line of the South African trade, with long-term spin offs culminating in job creation and an economic boost for the country which then benefits the District as a tourist destination.

District Participation

The Sarah Baartman District Municipality was represented by the following team from 09-11 May 2023:

- Executive Mayor (10-11 May 2023)
- Project Manager: Tourism and Marketing (08– 12 May 2023)
- Tourism intern (08– 12 May 2023)

- 2 x LTO Representatives, (08 – 12 May 2023)
- 1 x rep from the Kouga LM (08 – 12 May 2023)

Coordination roles and responsibilities

SBDM Team was responsible for managing overall activities in the exhibition stand, meet with tourism industry players, attend tourism-related workshops and seminars, meeting tour intermediaries and facilitate travel trade, attending networking and collaborative sessions and represent SBDM when invited by other organisations in interactive sessions.

In addition, the Project Manager: Tourism and Marketing assisted by the Tourism intern were responsible for the representatives from the SBDM SMME's and Private Products as these representatives were manning their "Seven Wonders" nodal areas within the 7Wonders exhibition stand promoting their tourism products.

The Project Manager: Tourism and Marketing represented the "Seven Wonders" in the reception area, handling enquiries by media and tourism industry role players and attending tourism-related seminars. In addition, she worked with the intern to ensure "Seven Wonders" packaging of marketing materials and apply useful control of information dissemination in the exhibition reception area.

The Executive Mayor was meeting with tourism industry role players, attend tourism-related seminars and represented the SBDM on tourism bilateral sessions. He also had meetings with other Municipal Mayors for exchanging ideas and had meet and Greet with the EC MEC for Department of Economic Development, Environmental Affairs and Tourism – Honourable MEC Mlungisi Mvoko.

Support to Creative Industries

To ensure that support is coordinated and spot on, during the financial year under review the District Municipality supported the following projects:

1. National Arts Festival in Makhanda
2. Makana Music festival
3. Golf day in Somerset East

4. Bushbuck Pirates - Addo
5. Wildsfees – Kirkwood
6. Professional Golf Association tournament – St Francis Bay

SUPPORT TO LOCAL TOURISM ORGANIZATIONS, SMMEs, PROJECTS AND PROGRAMS

According to the White paper for tourism development, tourism is government led, private sector driven and community based. The District Municipality ensures visibility to all LTOs to strengthen relations. The aim is to provide an enabling environment from which the tourism industry can develop and grow. Sarah Baartman District Municipality provided financial and non-financial support to 7 Local Tourism Organisations in the area to ignite demand and ensure brand alignment and cooperative marketing and communication. As part of vigorously marketing the district, a platform was created for all 7 LTO to market their respective areas in Cape Town at the World Travel Market Africa which is one of the largest tourism marketing events and only Inbound & Outbound Business to Business (B2B) travel trade show on the continent.

DISTRICT TOURISM ROUNDTABLE HELD IN CAPE ST FRANCIS RESORT, KOUGA LOCAL MUNICIPALITY

Sections 152 and 153 of the constitution have relevance to the involvement of municipalities in tourism and their relationship with tourism organisations:

- Municipalities are mandated through the constitution to promote the social and economic development of their communities, and their involvement in tourism must be related to this mandate.

The aim of developmental tourism is to increase local incomes and to create job opportunities. In particular, the constitution refers to developmental tourism being the process through which:

- “Partners from the public, business, labour and civic sectors work together to identify, utilise and harness location-specific resource to grow and transform the economy in specific local areas through implementing programmes and projects that build on and

showcase opportunities and /or address economic empowerment constraints” (Constitution of SA, Act 108:1996).

It is with the above that the District Municipality created a platform for tourism role players to discuss factors that affect tourism in Sarah Baartman region.

On the 27th of September 2022, SBDM facilitated a roundtable discussion under the theme of “Rethinking Tourism”. The aim was to inspire the tourism stakeholders to come up with innovative solutions to the challenges relating to tourism development within the district.

STAKEHOLDERS

- DM – Executive Mayor, Municipal Manager and PED officials
- Local Tourism Organisations – except Blue Crane Route LTO
- LM – only one LM present
- Provincial tourism authority
- Tourism Businesses

MAJOR CHALLENGES RAISED

- Sustainable tourism development
- Infrastructure constraints
- Funding constraints
- Tourism capacity in local municipalities
- Lack of support by Local municipalities (both financial and non - financial)
- Fragmented approach within the industry role players.

It was unanimously agreed that the Executive Mayor will share all matters discussed with relevant platforms and the DM assists in ensuring that there is continuous support provided to LTOs.

AFRICA'S TOURISM INDABA 2023 (Pictures)





3.15 LIBRARIES, COMMUNITY FACILITIES

COMMUNITY FACILITIES

The provision of community facilities such as sports grounds, community halls, multi-purpose centres, and swimming pools are the responsibility of local municipalities.

LIBRARIES

The responsibility for delivery of library services in the district resides with the Provincial Department of Sports, Recreation, Arts and Culture (DSRAC) who have appointed the local municipalities to be their agents. The Sarah Baartman District Municipality is therefore not responsible for the service. The local municipalities receive a grant from the Provincial Department of Recreation, Arts and Culture for this purpose. The adequacy of the grant is always the subject of much debate. Most of the local municipalities make a further contribution from its own funds to ensure an acceptable service.

The Provincial Department was requested on numerous occasions to improve connectivity and to enhance the line platforms at the libraries.

3.16 CEMETERIES AND CREMATORIIUMS

INTRODUCTION TO CEMETERIES AND CREMATORIIUMS

The SBDM was not involved in any projects related to cemeteries and crematoriums during the

year under review.

3.17 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

INTRODUCTION TO CHILDCARE, AGED CARE, SOCIAL PROGRAMMES

The SBDM has a Special Programmes Unit which takes care of these functions. The key issues undertaken during the year under review are:

Special Programmes

- Hosting of various programmes in partnership with the Provincial Women Caucus
- Conducting empowerment session for women in business
- Forming partnerships with sector departments in implementing district wide projects related to empowerment of designated groups
- Hosting of Commemoration days

HIV and Aids

The Sarah Baartman District AIDS Council is a multi- sectoral body mandated to coordinate the HIV, TB, STI and HIV response in the District. Its function is guided by the National Strategic Plan for HIV, TB, STI's and AIDS 2023- 2028. The National Strategic Plan (NSP) 2023-2028 sets out four (4) Key Strategic Objectives and interventions to support the achievements of the NSP.

1. Breakdown barriers to achieving outcomes for HIV, TB and STI's.
2. Maximize equitable and equitable and equal access to services and solutions for HIV, TB and STI's.
3. Build resilient systems for HIV, TB and STI's that are integrated into systems for health, social protection and pandemic response.
4. Fully resource and sustain an efficient NSP led by revitalized, and accountable institutions.

Achievements

- Conducting of HCT Campaign across the district
- Hosting of Sexual Reproductive Health and Right Awareness program with learners
- Commemoration of World TB Day
- Hosting of Gender Based Violence & Femicide Campaigns

- Hosting of Anti- Alcohol Abuse Campaigns
- Commemoration of the 16 Days of Activism and District World Aids Day
- Candlelight Memorial Service and the
- Interfaith Prayer Service

Achievements

March 2022

- Commemoration of World TB Day in Misgund, KKLM
- Kick TB School Programme: Joubertina Primary School
- Kick TB School Program: Iqhayiyalethu High School in Kareedouw
- Kick TB School program Misgund Primary School:
- Kick TB School program: Louterwater Primary
- Clinic Awareness program in LOuterwater & Misgund Clinic

May 2022

17 May Gcinubuzwe & Jansenville School TB/HIV/STI's Awareness Program
 25 May Door to door & Loudhailing in Jansenville
 26 May Candlelight Memorial Service
 30 May Youth Dialogue in Pearston BCRM
 31 May World Tobacco Day & Launch of Non-Communicable National Strategic Plan

June 2022

Child Protection Programme held in Port Alfred
 Child Protection School programme: Bhongweni Primary, Alexandria
 Mthyobo Primary in Port Alfred
 Dambuza Primary School in Port Alfred
 Kamvalesizwe High School in Kenton On Sea

August 2022

16 August: School Health program held in Riebeek East & Carlisbridge Farms
 17 August: Advocacy session held in partnership with Commission for Gender Equality in Riebeek East.
 18 August: District Women's Day celebration held in Riebeek East, Makana Municipality.

September 2022

15 September: District Aids Council Meeting held @ SBDM Office

October 2022

10 October: World Mental Health was held in Makanda, Makana Municipality
26 October: Community Dialogue: Older Person program held @ Nompumelelo Village, Koukamma Municipality

November 2022

22 November: Training Workshop on GBVF: KwaNomzamo, Humansdorp
23 November: Launch of 16 Days of Activism: Glen Connor Farm in Sundays River Valley
25 November: Launch of Provincial 16 Days of Activism held in Alexandria, Ndlambe.

December 2022

06 December 2022: District World Aids Day held in Humansdorp, Kouga Municipality.
08 December 2022: International Human Rights Day held in Jeffreys Bay, Kouga Municipality

February 2023

13- 20 February: Sexual & Reproductive Health & Rights: School program in Sundays River Valley Municipality

March 2023

13 – 17 March: TB School Awareness program held in Sundays River Valley Municipality: (Khayakhulu School, Sandisulwazi School, Kirkwood & Zuney Schools)

May 2023

08 May: Community Dialogue held on GBVF in Alicedale, Makana Municipality.

June 2023

12 June: Community Dialogue on GBVF & HCT Drive held in Clarkson Koukamma Municipality
21 June: Training workshop on GBVF and the Law in Coldstream: Koukamma Municipality

Number of personnel associated with the Community and Social Services Function:

1 Special Programmes Officer

1 HIV and Aids Coordinator

3.18 POLLUTION CONTROL

INTRODUCTION TO ENVIRONMENTAL MANAGEMENT PLAN

Sarah Baartman District Municipality is planning on development of a District Wide Environmental Management Plan which includes a waste management strategy and other environmental management strategies. The SBDM does not have the capacity to deal with this issue; however, a consultant can be appointed advisory.

Service Statistics for Environmental Pollution Control & Waste strategies

Not applicable

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The function of biodiversity and landscape is administered jointly by the Economic Development and Planning Department and includes activities related to the protection of flora and fauna species, the protection of habitats and the protection of landscapes for their aesthetic values. At present the main activities are:

- ensuring participation by local municipalities in biodiversity capacity building programed; and
- participating in meetings of planning forums such as the Greater Addo (SANParks) Planning forum, the Baviaanskloof Mega-Reserve Steering Committee, the Eastern Cape Biodiversity Implementing Committee, as well as the Coastal Management Steering Committee.

The strategic objective of the function is to safeguard the District's biodiversity in terms of indigenous plants and animals and the processes that sustain the

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Not applicable

COMPONENT F: HEALTH

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

INTRODUCTION TO HEALTH

The District Municipality does not render Primary Health Care Services, or ambulance services. This is the competency of the Eastern Cape Provincial Department of Health.

The District Municipality renders Municipal (Environmental) Health Services which includes health inspections and Surveillance of premises.

3.20 CLINICS

Not applicable

3.21 AMBULANCE SERVICES

Not applicable

3.22 HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTION; ETC (ENVIRONMENTAL HEALTH SERVICES)

INTRODUCTION TO ENVIRONMENTAL HEALTH SERVICES

In terms of section 84 (1)(i) of the Municipal Structures Act, 1998 (Act 117 of 1998), Municipal Health Services (MHS) are the responsibility of District Municipalities in addition, section 32 (1) of the National Health Act, 2004 (Act 61 of 2003) requires that every metropolitan municipality and district municipality) to ensure the provision or rendering of municipal health services.

SBDM continues to render Environmental Health Service Function for the following five (5) Local Municipalities as it is a legislative requirement of the District Municipality to render the function:

- Dr Beyers Naude
- Blue Crane Route and
- Sundays River Valley.
- Koukamma.
- Makana.

Environmental Health refers to those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social, and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling, and preventing those factors in the environment that can potentially adversely affect the health of present and future generations. “

Within the context of this report Environmental Health Services (EHS) shall be referred to the Municipal Health Services (MHS) as listed under section 1 of the National Health Act, 2003 (Act 61 of 2003) and the Constitution of South Africa, Act 108 of 1996 namely:

- Water quality monitoring.
 - Food control;
 - Waste management;
 - Health surveillance of premises;
 - Surveillance and prevention of communicable diseases, excluding immunisations;
 - Vector control;
 - Environmental pollution control;
 - Disposal of the dead; and
 - Chemical safety
- 1.

The function of Municipal Health Services (MHS) in the District Municipality is administered as follows:

- Sarah Baartman District Municipality is currently rendering the EHS function directly to the 5 Local Municipalities.
- The District Municipality has entered into Service Level Agreements with the two (2) of its Local Municipalities namely, Kouga and Ndlambe, to render Municipal Health Services on its behalf in their respective areas of jurisdiction during this financial year.

The function as rendered by the SBDM excludes Port Health, Malaria Control and Hazardous Substances which is the function and the competency of the Eastern Cape Department of Health and National Department of Health.

The strategic objectives of this function are to improve the health status of communities serviced through the identification, evaluation and control of critical factors that affect the physical, social, and mental well-being of communities. MHS/EHS are mainly preventative health services and are therefore largely protecting public health and

preventing health hazards/risks and diseases.

Key Issues for 2022/2023:

- Reporting a District Overview of Water Quality in structures such as Mayoral Committee, District Wide Infrastructure Forum, Municipal Managers Forum, and the District Mayor's Forum.
- Inspected all initiation sites within the district.
- Participating on the Provincial Initiation Task Team lead by COGTA and developing the District Initiation Plan.
- The quality of water and food was monitored through routine inspections and collection of water and food samples for the entire District.
2.
- Assisted Makana Local Municipality in drafting business plans to secure funding of R7 Million Rands from DEADET to address challenges of waste management.
3.
- SBDM Procured 6-ton tipper truck, 5-ton loading truck and tractor from DEADET funding on behalf of Makana Municipality.
- Awareness projects were done in seven (7) Local Municipalities rendering Environmental Health Services on waste management, health and hygiene and animal outreach program.
- Maintenance of Environmental Health Joint Management Committee with all Local Municipalities.
- Establishment of SBDM South African Institute of Environmental Health branch.
- Implementation of SBDM Municipal Health By-law in all Local municipalities to address challenges of environmental transgression by setting environmental health standards to prevent disease, prolong life, protect, and promote the health and wellbeing of people in the municipal area.
- implementation of EHS Tariffs in all Local municipalities.
4.
- Training of all SBDM Environmental Health Practitioners on emission management (Air Quality) by DFEE.
5.

- Created job opportunities for 35 EPWP in both Makhanda and Alicedale for a twelve months period.
- Cleansing of illegal dumping in Makhanda and Alicedale converting them into recreational facilities in a quest to address issues of environmental degradations and create an environment that is conducive for community members.
- Audit by the National Department of Health to check compliance on how SBDM renders EHS function, SBDM achieved 83% in rendering the service currently acceptable threshold is 85% across the country.
- The Environmental Health Services Unit participated in the formulation of management of human remains for the Eastern Cape Province, aimed understanding the safe disposal of human remains.
- Planning and participating on community outreaches (imbizos) for local municipalities.

The total budget for the Environmental Health Services in the financial year 2022/23 financial year was **R 4 7160 000**

The contributions were budgeted for the 2 Local Municipalities and were paid as follows:

Local Municipality	Amount
Kouga	R 3 028 720
Ndlambe	R 1 687 280
Total	R 4 7160 000

Number of personnel associated with the Environmental (Municipal) Health Function:

- 1 x Environmental Health Manager
- 3 x Snr Environmental Health Practitioners
- 11 x Environmental Health Practitioners

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 only functions in this component performed by the SBDM are Disaster Management and Fire Services

3.23 POLICE

Not applicable

3.24 FIRE SERVICES

INTRODUCTION TO FIRE SERVICES

Sarah District Municipality is rendering fire services in Partnership Performance Service Level Agreement (PPSLA) with all its seven (7) Local Municipalities. This Partnership Performance Service Level Agreement is renewed on annual basis to formalize the fire service arrangement whereby the Local Municipality perform the Fire Service Function on behalf of the District Municipality. In terms of Section 84(1)(j) of the Municipal Structures Amended Act, 2003 the Sarah Baartman District Municipality is mandated to perform the following functions:

- planning, co-ordination and regulation of fire services throughout the Sarah Baartman District.
- provision of specialized firefighting services such as mountain, veld and chemical services.
- coordinating the standardization of infrastructure, vehicles, equipment and procedures.
- training of fire officers.

The district developed and gazette Fire Services Bylaws for all seven local municipalities.

Strategic Objectives:

- Enter in cross boarder agreement with neighbouring district municipalities.
- Acquisition of fire/rescue vehicles, equipment and tools.
- training of fire officers, fire fighters, reservists and volunteers
- Conduct education and awareness campaigns in relation to fire and disaster management
- Ensure that all Local Municipalities are rendering fire services in line with the Fire Brigade Act.
- Continue providing support to all seven Local Municipalities.
- Enter into memorandum of understanding with Masikhathalelaneni NPC in relation to response to disasters by providing relief material to the victims.

Achievements in 2022/2023

Funding

Sarah Baartman District Municipality has made available an amount of **R 9 931 000.00** for Fire Services and entered into Service Level Agreement allocation for 7 Local Municipalities

Municipality	Allocation
Dr Beyers Naude	R2188 000.00
Blue Crane Route	R1375 000.00
Makana	R1388 000.00
Ndlambe	R1083 000.00
Sundays River Valley	R788 000.00
Kouga	R1584 000.00
Koukamma	R1525 000.00

- Procuring of fire response vehicles for:
 - ❖ Ndlambe Local Municipality
 - ❖ Kouga Local Municipality;
 - ❖ Dr Beyers Naude Local Municipality; and
 - ❖ Makana Local Municipality.



Handing over of Rescue Vehicle in Blue Crane LM



Handing over of Fire Fighting equipment in Blue Crane LM



Handing over of Firefighting Vehicle in Koukamma LM



Handing over of Firefighting Vehicle in Koukamma LM



Handing over of Firefighting Truck in Ndlambe LM



Handing over of Firefighting Equipment in Ndlambe LM



Handing over of Firefighting Vehicle in Makana LM



Handing over of Firefighting Vehicle in Makana LM



Handing over of Firefighting Vehicle and Jaws of Life



Handing over of Firefighting Vehicle and Jaws of Life

- Conducting Fire Awareness Campaigns in various schools.
- Entered and signed cross boarder agreement with Chris Hani District Municipality
- Training of thirty-eight (38) Fire Personnel from the 7 Local Municipalities.
- Providing funding for the procuring Fire Fighting equipment for:
 - ✓ Blue Crane Route Local Municipality
 - ✓ Kouga Local Municipality
 - ✓ Ndlambe Local Municipality
 - ✓ Koukamma Local Municipality

Staff Complement in the Fire Service Unit:

1 x Senior Manager / Division Head
 3 x Fire Fighters
 1 x District Fire Services Coordinator (Vacant)

3.25 OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Act of 2002 (Act no. 57 of 2002) requires the development of policy frameworks at a national level, a provincial level and a municipal level. As Sarah Baartman District Municipality we have developed the policy framework and it is in line with the National and Provincial Policy Framework. This was done after consultation with all seven (7) Local Municipalities and other relevant stakeholders within the district including Provincial Disaster Management Centre.

The district is required to implement the policy in the municipality as a management and coordination framework for disaster risk management (DRM) in the area. This disaster management framework is the integrating instrument for consolidating the disaster risk management plans of individual municipalities within the District. This policy has been prepared according to the requirements of the Disaster Management Act, the National Policy Framework and the Eastern Cape Provincial Policy Framework and has taken cognisance of other applicable municipal legislation.

The purpose of this policy framework is to provide a written Disaster Risk Management mandate, detailing management responsibilities; stakeholder participation; resources and resource

capacities; and operational skills required, for the development, implementation, maintenance, monitoring, and assessing of Disaster Risk Management in Sarah Baartman District. The desired outcome is for a coherent, transparent, and inclusive approach to Disaster Risk Management in a consistent manner across the multiple interest groups.

Strategic Objectives:

Sarah Baartman District Municipality has defined strategic objectives in order to reach the overarching goal of developing more resilient communities in the Sarah Baartman Municipal Area. One of the objectives is to improve capacity of Local Municipalities to provide a timely and appropriate response to disasters complex emergencies, and other crises.

To promote and sustain an integrated and coordinated approach to disaster risk management by preventing and reducing risk and vulnerability; mitigating disaster severity; ensuring emergency preparedness; promoting rapid and effective response; ensuring the provision of relief and implementing rehabilitation and reconstruction measures consistently ensuring a developmental focus to give effect to applicable legislation.

- Support and Capacitate local municipalities within the District and Communities at Risk on Disaster Risk Management issues.

Description of Activity

The main activity is to coordinate disaster management activities in the Sarah Baartman District consistent with the provisions of the Disaster Management Framework and Disaster Management Act 57 of 2002. The framework covers the following KPAs:

- **KPA 1:** Establishing integrated institutional capacity for disaster risk management in the District.
- **KPA 2:** Disaster Risk Assessment – A comprehensive risk assessment for the District in accordance with national and provincial standards and supporting guidelines must be conducted.
- **KPA 3:** Disaster Risk Reduction – Disaster risk reduction programmes must be developed and implemented.
- **KPA 4:** Disaster Response and Recovery - Centre must identify agencies with responsibilities for the various operational activities associated with disaster response and recovery.

Objectives for 2022/2023

- Re-establishment of Local Municipality's Advisory Forum
- Cleaning and maintenance of stormwater drainage system in Addo (Sundays River Valley Local Municipality as Risk Reduction Project.

- Establishment of Community Safety Forums for all Local Municipalities
- Conducting education and awareness campaigns in all seven local municipalities
- Response and recovery to disasters
- Installation and implementation of Disaster Management Information System

Achievements in 2022/2023

- Re-establishment of Kouga Local Disaster Management Forum
- Employment of twenty (20) Disaster Management Volunteers for cleaning and maintenance of stormwater drainage system.
- Provision of relief material to disaster victims across the district municipality
- Establishments of Community Safety Forum in Blue Crane Route Local Municipality
- Training of local municipality's fire personnel in Disaster Management Information System
- Education and awareness campaigns were conducted in all seven local municipalities.
- Training of local municipality's fire personnel in Disaster Management Information System for incident capturing.
- Applied for disaster response grant for Dr Beyers Naude Local Municipality, Blue Crane Route Local Municipality and Kouga Local Municipality and funding was approved by National COGTA.
-

Municipality	Amount	Project Name
Kouga	R3 000 000.00	- Repair flood damages to St Francis Bridge structure and reinstate surrounding services
Blue Crane Route	R 3 200 000.00	Cookhouse: Roads & Stormwater <ul style="list-style-type: none"> ○ Douglas Street (170m) R400 000 ○ Norman Street (200m) R500 000 Somerset East: Roads & Stormwater <ul style="list-style-type: none"> ○ Belgravia Street (600m) R1,2m ○ Mahalie Street (500m) R1,1m
Dr Beyers Naude	R3 500 000.00	- Refurbishment of Aberdeen Sewer Pump Station R1,5m - Refurbishment of Nieu Bethesda Sewer Pump Station R1m - Replaced damage Solar Power System at Nieu Bethesda Wastewater Treatment Works R1m

Number and cost of all personnel associated with the function:

- 1 x Division Head Disaster Manager
- 1 x Disaster Management Operations Manager
- 1 x Training and Communication Officer
- 4 x Disaster Management Satellite Officers

1 x Secretary
4 x Control Room Operators

Funding

Sarah Baartman District Municipality has made an amount of **R1 840 000.00** available for Disaster Management Services for the 2022/2023 financial year.

COMPONENT H: SPORT AND RECREATION

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

3.26 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The SBDM has in previous years been involved in construction of sports fields in local municipality areas as a community services function. However, during the year under review, no sports fields were constructed by the SBDM, and this function is accordingly not applicable.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

3.27 EXECUTIVE AND COUNCIL

Information relating to the Executive and Council is contained in Chapter 2 – Component A – Political and Administrative Governance.

3.28 FINANCIAL SERVICES

With regards to financial matters of the SBDM, this is reflected in the Municipal Manager's Overview as well as in the Annual Financial Statements.

In the Sarah Baartman District, the local municipalities provide basic services such as provision of water, sanitation and refuse removal. Electricity is provided by the local municipalities in the larger towns. Eskom provides electricity in many of the smaller towns and rural areas. The Annual Report of local municipalities contains detailed information about costs and revenue from such services.

3.29 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Sarah Baartman District Municipality [SBDM] has an approved a Strategic Human Resource Management Plan which is a statement on how the Municipality seeks to achieve the objectives in the IDP. The plan is set to be reviewed in line with the organizational structure, aligns the Human Resource Management Goals and Strategies with SBDM's IDP.

Priority Objectives

The Plan includes key areas as detailed below:

1. Human Resource Management – Key policies were workshopped to all stakeholders including the newly elected Councilors. During the Councilor induction Council policies which are for development and reviewing are workshopped to them. This is done to ensure that the Council can continually improve compliance with laws and regulations and increased oversight in the daily management of the operations. Strategies to ensure understanding and proper implementation of such policies were introduced to improve communication.
2. Human Resources Provisioning – Recruitment and selection practices were developed to promote efficient systems to speed up the filling of vacancies. Induction and orientation programmes were also improved and aligned with the new HR system. These are implemented as an ongoing Council strategy to ensure provision and retaining of highly skilled personnel to achieve Council goals,
3. Provisioning for the unemployed graduate, finance interns and WIL learners have necessitated new strategies to be incorporated such as utilizing online platforms and direct drives which have yielded remarkable results as part of the Council quest to equip the Youth.
4. The critical element in the which was brought about the Covid 19 pandemic created a number of challenges that saw a new and improved way of doing things. The processes which are particularly linked to the new HR system is to make sure that the HR policies are reviewed at suggested intervals.
5. The Human Resources division is currently revising the policy register which will enable Council to monitor the frequently and intervals of the changes proposed to be updated.

6. The performance of all employees is appraised on a quarterly basis by using an electronic orientated Performance Management System managed by the Manager: Performance Management.
7. The long-awaited launch of the Council wellness programme has been concluded and will definitely aid in improving the morale of employees. The physical Gymnasium facility was also commissioned for employee usage during the period under review.
8. Human Resource Development – The WSP is a statutory requirement which ensures that employee training and development programmes are crafted with a purpose, adequately budgeted for, and comply with certain standards. Each year a Skills Audit is conducted and a Workplace Skills Plan [WSP] is developed. The identified training programmes and interventions have improved skills and capacity in the institution.
9. To date approximately 98% of Managers at the level where possible promotions to Senior or Middle Management have undergone training on Council sponsored Municipal Finance Management Programme to achieve the so-called Minimum Competency training. The training is continuous and also target employees at lower levels particularly the Finance Interns to create a pool of Financial Management future candidates to choose from when job opportunities present themselves.
10. As a development strategy for future Human Resources planning, the SBDM has extended the programme to Supervisory level and technical employees to undergo the same training interventions.
11. Labour Relations – Notwithstanding the relationships enjoyed by the parties there will always be differences which parties found themselves deadlocking on, however, those are ironed out through agreed mechanism.
12. The long-standing differences between Labour Unions and Employer components were ironed out as result the Local Labour forum is back in action and convening at scheduled dates.
13. The above interactions followed a structured schedule of meetings which occurred under strict and robust engagements amongst the parties to achieve a common goal which is that of maintaining sound labour relations at all times.
14. A sound labour relations environment is maintained through regular feedback communications from the Office of the Municipal Manager on issues that matters most from employee welfare to performance.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Employees: Human Resource Services				
Job level	2022/2023			
(TK	Posts	Employees	Vacancies (Fulltime	Vacancies (% of total

LEVEL)			equivalents)	posts)
4- 8	1	1	0	0%
9 -11	3	3	0	0%
14	1	1	0	0%
17	1	1	0	0%

Capital Expenditure 2023/2024: Human Resource Services					
Capital projects	2020/2021				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget)	Total Project value
	R 500 000				R 500 000
Project A:	Auditing of graded jobs by an external service provider				

1. Background

1.1 Job Evaluation Strategy

The decision to use the TASK job evaluation system was originally agreed to at the South African Bargaining Council level in 2003 through the signing of a Collective Agreement between SALGA and the two Trade Unions, SAMWU and IMATU. It was agreed that a uniformed grading system, TASK, must be implemented in the local government sphere. In 2012, SALGA determined that the job evaluation process was the sole responsibility of the employer, and thereafter unions were involved in job evaluation processes through consultation only. This was formalized in the circulation of the SALGA Job Evaluation Policy for Local Municipalities 2012. This enabled job evaluation units to be established at the District or Local Municipality level.

2. Job Evaluation Unit

2.1 Establishment

Sarah Baartman DM and its Local Municipalities resolved to establish the District JE Unit (*DJEU*) that will be coordinated at the district level. The Job Evaluation Unit is operational since 2016 with two officials responsible for the full operational activities which includes the Organisational Development and Job Evaluation discipline. The District Job Evaluation Committee (DJEC) is constituted by three to five officials from local municipalities and the district who have been trained

in the TASK Job Evaluation System. They operate on the District Council approved Terms of Reference (TOR).

2.2 Funding: Operational Budget

The funding model for the operational budget of the DJEU is funded through a shared-services strategy and fifty percent (50%) of the budget is contributions from local municipalities allocated according to the number of job descriptions to be evaluated from each local municipality. Sarah Baartman DM as the custodian of the DJEU contributes the remaining fifty percent (50%) and other capital/operational contributions required for the smooth operations of the unit.

2.3 Coordination:

2.3.1 Local

The DJEU coordinates the job evaluation processes which includes ensuring that job descriptions have been developed within the municipalities to the required quality, as well as the grading of jobs. The members of the DJEC sit on a rotational basis and grades jobs 2 – 3 weeks per month. The SBDJEC performs its duties on the basis of adopted Terms of Reference (TOR) in accordance with the SALGA JE Policy for Local Municipalities 2012 (*also adopted by all District & Local Municipal Councils*).

2.3.2 Auditing of grading outcomes

The process of completing job descriptions and grading jobs received impetus due to the appointment of the Job Evaluation Co-ordinator. A District Job Evaluation Committee has been trained and grading sessions are held every month, where jobs from the Local Municipalities and SBDM are evaluated. The Sarah Baartman District Municipality [SBDM] is responsible for grading all the posts on its organogram as well as five [5] Local Municipalities (LMs). The SBDM Job Evaluation Unit (JEU) facilitates the grading process in the District. Jobs are graded by the District Job Evaluation Committee (DJEC). Previously, graded jobs were submitted to the Provincial Audit Committee (PAC). However, because of the slow rate of auditing jobs, an external service provider was appointed on October 2022 to Audit grading outcomes from the DJEC.

3. Challenges

3.1 Organizational Development Support

Job Writing & Quality Assurance

The success of the job evaluation process has foundations in the quality of the job descriptions being of the required standard. Currently the local municipalities do not have the capacity to be able to develop job descriptions to this standard. Hence, a service provider has been contracted by SBDM to develop job descriptions for all the municipalities. It is the intention of the DJEU to build capacity within the municipalities to enable them to develop their own job descriptions.

Furthermore, the slow signing of job descriptions by incumbents also impedes the submission of them to the DJEU to be scheduled for grading.

3.2 Organizational Development

Many of the municipalities within the district have outdated organograms. This impacts on the accuracy of the job descriptions that have been developed. Facilitating the process of updating individual municipalities' organograms is a time-consuming and costly exercise. As job evaluation is dependent on up-to-date job descriptions, which are in turn based on up-to-date organograms, this Organizational Development issue will continue to be a challenge to the success of the job evaluation process within the district.

*Table 1 details the JE Project Outputs

4. PROGRESS OF JOB EVALUATION PROCESS 30 June 2023									
5. Responsibility:	6. ORGAN OGRAM	7. B SC J D WRITING	8. MUNICIPALITIES				9. JEU & DJEC & Auditing		
10. Municipalities	11. # Posts to grade	12. # of JDs written by BSC	13. Total JDs received	14. JDs received not yet graded	15. Jobs Observed Graded	16. % jobs graded	17. # Jobs Audited	18. % Jobs Audited	
19. Blue Crane Route	20. 168	21. 170	22. 29	23. 7	24. 22	25. 3%	26. 7	27. 32%	
28. Dr Beyers Naudé	29. 253	30. 388	31. 125	32. 13	33. 112	34. 4%	35. 5	36. 45%	
37. Koukamma	38. 120	39. 132	40. 35	41. 0	42. 35	43. 9%	44. 2	45. 69%	
46. Ndlambe	47. 258	48. 310	49. 123	50. 16	51. 107	52. 1%	53. 3	54. 29%	
55. Sundays River Valley	56. 129	57. 184	58. 46	59. 2	60. 46	61. 3%	62. 2	63. 43%	
64. Sarah Baartman	65. 64	66. 66	67. 41	68. 13	69. 28	70. 4%	71. 2	72. 100%	
73. Totals	74. 992	75. 1250	76. 412	77. 51	78. 350	79. 5%	80. 60	81. 46%	

82. Conclusion

The DJEU has received job descriptions from the municipalities. The grading process is ongoing by the DJEC. The external auditing service provider audits jobs from all the Sarah Baartman District. The number of positions that have to be evaluated in the district is substantial. It is acknowledged with appreciation that the members of the DJEC have to sacrifice time away from

their normal work when attending grading sessions. This is to the benefit of all the municipalities in the district.

All municipalities depend on their staff employed. Ensuring that jobs are correctly graded facilitates various key human resources processes: being able to attract and retain staff through accurate grading and consequent remuneration; addressing internal demotivation of staff from perceived incorrectly graded jobs. Successful job evaluation processes address these issues and contribute to the wellbeing of the organization.

3.30 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

1. Progress on ICT Governance Implementation

a) ICT Steering Committee Charter and Terms of Reference

The ICT Steering Committee plays one of the key ICT governance roles within the Municipality and as such it is necessary to describe the roles and responsibilities of the Committee and the membership and meeting structure that suits the needs of the Municipality in the ICT Steering Committee Charter and it should be given appropriate status within the corporate planning and management environment

According to the charter, the Municipal Manager has identified the members of the ICT Steering Committee as follows:

- Chairperson: Portfolio Councilor of Finance
- Municipal Manager
- All Directors or a representative from each directorate
- A representative from Internal Auditing and Risk Management
- Senior Manager: Finance
- Accountant: Financial Accounting Division
- Accountant: Income and Expenditure Division
- ICT Unit

Progress

- The ICT Steering Committee Charter was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.

b) ICT Corporate Governance Policy ICT Framework

The Corporate Governance of Information Communications Technology (**CGICT**) is an integral part of the governance system in municipalities. It specifically addresses the following issues:

- Evaluating, directing and monitoring the alignment of the municipal ICT strategy with the municipal IDP's and related strategies;
- The monitoring of ICT service delivery to ensure a culture of continuous ICT service improvements exist in the municipality; and
- Determining ICT strategic goals and plans for ICT service delivery as determined by the Service Delivery and Budget Implementation Plan (SDBIP) objectives of the municipality.

To enable a municipality to implement this Municipal Corporate Governance of ICT Policy, a three-phased approach will be followed:

(a) **Phase 1 – Enabling Environments:**

The Corporate Governance of ICT environments will be established in Municipalities through the adoption of this Municipal Corporate Governance of ICT Policy and its associated policies through Council resolution;

(b) **Phase 2 – Business and Strategic Alignment:**

Municipalities will plan and implement the alignment between IDPs, strategic goals and ICT strategy.

(c) **Phase 3 – Continuous Improvement:**

Municipalities will enter into an on-going process to achieve continuous improvement of all elements related to the Governance of ICT.

Progress

The ICT Corporate Governance Policy ICT Framework was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.

SBDM has achieved the expected deliverables of **Phase 1(Enablement Phase)** which were due by June 2017. Further, recommendations were provided by the Auditor General and were incorporated to the relevant policies for the compliance purposes.

The Sarah Baartman District Municipality (SBDM) has developed ICT Services policies action plan which forms part of an ongoing submitted items in the ICT Steering Committee to track and ensure that **PHASE ONE (1) (ENABLEMENT PHASE)** is implemented, that all the required policies are developed, evaluated by all relevant committees (ICT Steering Committee, Mayoral Committee), and adopted by Council for the CGICTPF compliance purposes.

Below is the status with regards to compliance of Corporate Governance Information Communication Technology Policy Framework (CGICTPF):

- The **ICT Corporate Governance Policy** ICT Framework was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.
- The **Municipal Corporate Governance of ICT Charter** was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.
- The **ICT Steering Committee Charter** was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.

- **Governance Champion designated and responsibilities allocated.**
 With regards to Governance Champion designation, the Governance Champion is designated to the Director: finance and corporate services and chief financial officer.
- **A proficient ICT Manager or CIO appointed functioning at strategic level:**
 With regards to compliance to the above-mentioned requirement especially on ICT Manager, the actual position forms part of the proposed ICT organogram to ICT Unit, and ICT awaiting the review of the full organizational structure of the District Municipality.
- **Approved and implemented Risk Management Policy that includes the management of Municipal-related ICT risks.**
Status:
 The Municipal Risk Management Policy was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.
- **Approved and implemented Internal Audit Plan that includes ICT audits.**
Status:
 The IT Audit Action Plan remains an ongoing submitted item in the ICT Steering Committee Meetings to ensure that ICT related finding are actioned and implemented.
- **Approved and implemented ICT Management Framework.**
Status:
 The ICT Management Framework has been developed as of March 2022, which is currently in draft and must be submitted to the ICT Steering Committee meeting for the recommendation to be submitted to the Mayoral Committee and then Council for the adoption.
- **Approved and implemented municipal Portfolio Management Framework that includes ICT portfolio/programme and project management.**
Status:
 The ICT portfolio / project management policy framework has been developed as of March 2022, which is currently in draft and must be submitted to the ICT Steering Committee meeting for the recommendation to be submitted to the Mayoral Committee and then Council for the adoption.
- **Approved ICT Disaster Recovery Plan informed by Municipal Continuity Plan and Strategy.**
Status:
 The ICT Disaster Recovery Plan has been incorporated in the ICT Business Impact Analyses and Disaster Recovery Plan which is currently a draft and shall be submitted to the ICT Steering Committee Meeting, Mayoral Committee, and the Council for approval
- **Approved Data Backup and Recovery policy.**
Status:

The Data Backup and Recovery policy has been incorporated in the ICT Business Impact Analyses and Disaster Recovery Plan which is currently a draft and shall be submitted to the ICT Steering Committee Meeting, Mayoral Committee, and the Council for approval.

- **Approved ICT Service Level Agreement Management policy (External).**

Status:

The ICT Service Level Agreement Management policy (External) has been reviewed as of June 2022, which is currently in draft and must be submitted to the ICT Steering Committee meeting for the recommendation to be submitted to the Mayoral Committee and then Council for the adoption.

- **Approved ICT User Access Management policy.**

Status:

The ICT User Access Management policy was adopted on 27th January 2021

- **Approved ICT Security Controls policy.**

Status:

The ICT Security Control Policy to be reviewed on September 2022 for submission to the ICT Steering Committee, for the recommendation to be submitted to the Mayoral Committee and Council meeting for approval.

- **Approved ICT Operating System Security Controls policy.**

Status:

The ICT Operating System Security Controls policy was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.

- **ICT Code of Conduct**

Status:

The policy has been adopted by Council from the 15 October 2021

- **ICT Firewall Management Policy**

Status:

The policy has been adopted by Council on the 27 January 2021

The municipality's focus during this year was on **Phase 2 Strategic Alignment which was due by** June 2019 and included the following areas:

1. Enterprise Architecture
1. ICT Strategy
2. ICT Migration Plan
3. ICT Performance indicators as contained in the municipalities Performance Management System.

The municipality has reviewed its Enterprise Architecture and resolutions were taken to adopt an optimum architecture. Also, the job descriptions of the positions within the ICT Unit was reviewed and amended to ensure inclusiveness and alignment to all policies and procedures.

1.1 Progress on Phase 2 Strategic Alignment:

4. Enterprise Architecture: The Enterprise Architecture Policy to be developed by 30 September 2022 for submission to the ICT Steering Committee meeting, and then recommended to the Mayoral Committee and Council for adoption.
5. ICT Strategy: For effective development of ICT Strategy, it is a requirement by AG for ICT Strategy to be in line with IDP. That ICT be represented by an ICT Personnel in IDP related meetings in order to ensure ongoing alignment of both ICT Strategy and IDP and incorporate ICT short term and long-term projects.

Initially the ICT Strategy period was (2013 – 2018) and has expired. Currently the ICT Strategy is in draft and incorporated proposed ICT Structure, outlined the IT plans and projects. In order to measure progress success of any project implemented. In addition, ICT Strategy to incorporate moving of SBDM premises to Kirkwood as well as Support to LM by means of shared services. Therefore, the District ICT Forum which was approved by the ICT Steering Committee meeting it to initiate the discussions of the shared services with the seven (7) local municipalities for incorporation in the ICT Strategy on the 29 September 2022 as part of the SBDM District ICT Forum. Then the draft ICT Strategy shall be submitted to ICT Steering Committee for review, as well as aligning of IT Strategy to overall municipal strategy (IDP) and submitted for Council approval.

6. ICT Migration Development in progress
The ICT Migration Development Policy to be developed by 30 September 2022 for submission to the ICT Steering Committee meeting, and the recommended to the Mayoral Committee and Council for adoption.
7. ICT Performance indicators as contained in the municipalities Performance Management System.: Please refer to ICT Service Level Agreement Management Policy (Internal)
Please refer to ICT Service Level Agreement Management Policy (External)

2. ICT Infrastructure Assessment

The scope and objective of this assessment was to identify key ICT infrastructure areas within the Sarah Baartman District Municipality that required urgent attention to be rectified, addressed and or to be replaced with suitable solutions. To also inform and communicate to the Municipality the findings and requirements to address the identified areas in alignment with recommended solutions

The scope of this assessment was limited to the ICT Infrastructure Environment; no detailed assessment was completed at end user level

The following areas were assessed:

- a) IT Infrastructure and Systems
 - Server hardware
- b) Network Infrastructure

- Switches
 - Router
 - Firewall
 - Internet Gateway
- c) Power Infrastructure
- MGE UPS System

Based on the assessment completed, an executive summary of the findings was presented at the ICT Steering Committee with recommendations to migrate from physical servers to virtual servers with reduced costs which were subsequently accepted and adopted.

2.1 Progress

a) IT Infrastructure and Systems

- Server hardware:

Due to end of Support on January 14, 2020 for Windows Server 2008 R2 Standard that means regular security updates have also ended. Therefore, legacy hardware server that has also reached end of life needs to be replaced.

The budget for the virtualization of the servers has been approved by Council for the financial year 2022 of 2023. The committee structures have been approved and the Bid Specification Committee to meet on the 25th August 2022. The project remains a priority to mitigate hardware failure and ensuring that Operating Systems are compatible with new evolving applications.

b) Network Infrastructure

- Switches:

The budget cost for the project has been submitted for the financial year 2022 – 2023 which has been approved by Council on the 25 May 2022. The project covers replacement of the Six (6) Cisco Switch including a Core Switch and maintenance contract coverage for the seventh (7) Cisco Switch since which is in good condition. The maintenance contract is required should the Cisco Switch become faulty; it can be replaced immediately.

Background

Initially the Bid No. 19/2021 for the Supply, Delivery, Installation, Configuration, Maintenance and Commissioning of Local Area Network Power Over Ethernet Switches was advertised on the SBDM website, E-Tender Portal and in the Herald of 10th September 2021. The closing date was 12 October 2021. The validity period expired on 10 January 2022.

The validity period was extended to 31 January 2022.

Bid Process

The BEC tabled the report to the BAC at it meeting on 13 December 2021

At this meeting, the Director: PED suggested that the legal opinion received by the BEC should be submitted to the BAC in writing and be part of the package. The Chairperson indicated that the minutes of the BEC should indicate the legal opinion by the Snr. Manager: Legal Services

The BAC resolved that

- a. Bid 19/2021 be referred to the BEC to include comments received from the Snr. Manager: Legal Services.

The BEC amended the reports to include the opinion of Snr. Manager: Legal Services who was not comfortable in signing the documented comments provided.

This caused delays in the resubmission of the BEC report to the BAC for reconsideration. In addition, the validity period of the bid expired. Therefore, on the 15 August 2022 The BAC approved the recommendation from the BEC for the cancellation of the bid 19/2021 Supply, Delivery, Installation, Configuration, Maintenance and Commissioning of Local Area Network Power Over Ethernet Switches. Therefore, a new bid has been registered and will be advertised on the 22 August 2022.

- Voice Router: Voice Router commissioned in 2013. Voice is out of maintenance contract and has reached its lifespan. The voice Router must be replaced and then a maintenance contract be entered to, should the router become faulty so that it can be replaced immediately.

Progress

The budget for the purchase and replacement of the Voice Router shall be submitted as part of the project to replace Call Manager System Server for the financial year (2023/2024).

- Firewall: The end of life is 29-08-2022. Therefore, the process of replacing the hardware must be initiated before the end-of-life date which is the start of financial year 2022/2023.

Progress

The FortiGate firewall form part of the Bid 17/2022 which was awarded by the Bid Adjudication Committee on 15 August 2022. Therefore, the Firewall is to be replaced as of 01 September 2022, when the new contract for Provision of Internet Services with Sip-Trunk (VoIP) and Firewall Management Support starts.

- Internet Gateway: The device belongs to the Internet Service Provider (ISP); therefore, it is under the ISP warranty. Therefore, this item does not have to be replaced by Sarah Baartman District Municipality
- c) Power Infrastructure
MGE UPS System:
The budget rollover for the Un-Interrupted Power Supply to be approved by Council before end of August 2022. Then the Advertising of the Formal Quotation processes to commence.

The Quote 17 of 2021 Supply, Deliver and Installation of Un-Interrupted Power Supply, shall be re-advertised due to insufficient proposal received from service providers. The Quote Evaluation Committee received less than three Quotation to evaluate.

3. Implementation of Municipal Standard Charts of Accounts (mSCOA)

Bid No. 10/2021 for Development, Support and Maintenance of an Integrated mSCOA Financial Management and Internal Control System on APPX Platform was advertised on the SBDM website and in the Herald on 19 March 2021 inviting service providers to submit bids based on the specifications provided. A compulsory briefing session was held on 30 March 2021 at 10h00. The closing date was 20 April 2021 at 12h00.

The purpose of this bid is to appoint a service provider for the Development, Support and Maintenance of an Integrated mSCOA Financial Management and Internal Control System on APPX Platform.

The Bid No. 10/2021: Development, Support and Maintenance of an Integrated mSCOA Financial Management and Internal Control System on APPX Platform was awarded to Mortit Solutions (Pty) Ltd for the period commencing 15 June 2021 to 14 June 2024.

The objective of Cycle 1 (15 July 2021 – 14 July 2022) was to implement MSCOA systems and to support and maintain the existing APPX System. The Service Level Agreement milestones are listed below:

Integration of AMS 360

This milestone was generated to complete the outstanding project item from the previous project. The APPX programs for the interface were completed by the end of the prior project but had not been fully tested due to data mapping items, which were outstanding. At the end of the previous project, the interface to populate the Staging tables for AMS (Invoices, Votes and Suppliers) worked. The programs to import a journal, following a depreciation run in AMS, was not tested, but developed. There has been constant communication between the Sarah Baartman District Municipality (SBDM) and iPin (AMS Software Support) regarding the mapping of the votes inside of AMS. By the end of the project, the interface from APPX to AMS Staging Tables was tested successfully. The data was also tested successfully on AMS Software by way of the data flowing from the AMS Staging Tables to the AMS System. As of the 19th of July 2022, there was a

depreciation run executed and we are busy testing to conclude the project. The work completed for this item in Cycle 2 will be logged as support.

Integration of CSD

This project milestone was successfully completed and went live on the 1st of July 2022. The discussion with the CSD team was extremely fruitful and the SBDM team assisted greatly with the scope of requirement. A few challenges existed which we overcame as a team. Multiple interface extractions were conducted where the data was tested with the SBDM team. This helped to streamline and plug any gaps which may come up in the live environment. These controls have substantially improved the payment process.

At the end of the year, many suppliers go dormant automatically and need to be activated again in the new year. Going live on the 1st of July 2022 meant that the supplier base for automation would be at its lowest and activation of suppliers would ensure the integrity of the data between CSD and APPX was at its maximum.

Inventory Stores

This project has been pushed into Cycle 2. The team and stakeholders need to be identified for the scope to be defined as per SBDM requirements. Some documentation has been received but not to aid the development of scope for SBDM.

IDP/SDBIP

A Call Desk was initiated to generate a Management Console for Project Managers to assist with the maintenance and management of financial and non-financial requirements. This development is still in test. The scope of this project is not clearly defined and the original expectations of Senior management contradicts the discussions with the main stakeholder. We have received documentation on actual IDP which has been implemented in test to manage Non-Financial Objectives, but further to this, the way forward is very unclear. This project will need to go into Cycle 2 and we suggest a clear scope be written defining the exact requirements from SBDM, where all stakeholders are in agreement. Treasury has recently sent a MSCOA presentation regarding the detail of IDP and SDBIP which will help with the higher-level implementation. Whilst not a scope document, it will help with the completion of a scope document. Members of the team have unfortunately not been readily available during this Cycle for various unforeseen reasons. We would like to place this as a high priority project in Cycle 2.

Documentation and Training

As systems were being developed, documentation was being completed, which included some procedures to assist.

Training and support were provided to key stakeholders when the project items became complete. During the development of the systems, key users and stakeholders were present to walk through the system to ensure they met the scope and requirements of initial expectations. We provided continued training, one on one, if requested for refreshing.

Reports (Schedules Amendments, Alignment and Strings)

Non-Financial Strings were a requirement which we needed to implement during Cycle 1. This was initiated and completed for the A Schedule and Strings. The user can extract data into the correct format by clicking a button. The data can then be passed to Treasury for processing.

Any amendments, alignments or strings requests were dealt with promptly to ensure that SBDM was shown as compliant to the reporting requirement.

Implementation of Financial Year End procedure

We completed and assisted SBDM with the Year End procedure and supplied documentation. An important part of the roll-over is the mapping of balance sheet accounts into different MSCOA specified accounts.

Support

The APPX Call Desk system was streamlined to cater for all users logging into a console. A change on the flow was completed, as well as the allocation of programs following transfer to the live environment. For programming helpdesk calls, the flow is as follows:

- User Logs Ticket (User)
- Allocation to IT (IT)
- Approval to start programming (FM)
- Complete Programming (Programmer)
- Approval of Results (User)
- Approval to Transfer programs (FM)
- Transfer and allocate programs (Programmer).

We were under the planned hours for Cycle 1. Any issues which arose were completed in the quickest time possible.

Project Service Level Agreement Tracker – Hours, Variance Explanation and Risks

Below are the milestones as per the Service Level Agreement (SLA) for Cycle 1.

c) ICT Steering Committee Charter and Terms of Reference

The ICT Steering Committee plays one of the key ICT governance roles within the Municipality and as such it is necessary to describe the roles and responsibilities of the Committee and the membership and meeting structure that suits the needs of the Municipality in the ICT Steering Committee Charter and it should be given appropriate status within the corporate planning and management environment

According to the charter, the Municipal Manager has identified the members of the ICT Steering Committee as follows:

- Chairperson: Portfolio Councilor of Finance
- Municipal Manager
- All Directors or a representative from each directorate
- A representative from Internal Auditing and Risk Management

- Senior Manager: Finance
- Accountant: Financial Accounting Division
- Accountant: Income and Expenditure Division
- ICT Unit

Progress

- The ICT Steering Committee Charter was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.

d) ICT Corporate Governance Policy ICT Framework

The Corporate Governance of Information Communications Technology (**CGICT**) is an integral part of the governance system in municipalities. It specifically addresses the following issues:

- Evaluating, directing and monitoring the alignment of the municipal ICT strategy with the municipal IDP's and related strategies;
- The monitoring of ICT service delivery to ensure a culture of continuous ICT service improvements exist in the municipality; and
- Determining ICT strategic goals and plans for ICT service delivery as determined by the Service Delivery and Budget Implementation Plan (SDBIP) objectives of the municipality.

To enable a municipality to implement this Municipal Corporate Governance of ICT Policy, a three-phased approach will be followed:

(d) **Phase 1 – Enabling Environments:**

The Corporate Governance of ICT environments will be established in Municipalities through the adoption of this Municipal Corporate Governance of ICT Policy and its associated policies through Council resolution;

(e) **Phase 2 – Business and Strategic Alignment:**

Municipalities will plan and implement the alignment between IDPs, strategic goals and ICT strategy.

(f) **Phase 3 – Continuous Improvement:**

Municipalities will enter into an on-going process to achieve continuous improvement of all elements related to the Governance of ICT.

Progress

The ICT Corporate Governance Policy ICT Framework was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.

SBDM has achieved the expected deliverables of **Phase 1(Enablement Phase)** which were due by June 2017. Further, recommendations were provided by the Auditor General and were incorporated to the relevant policies for the compliance purposes.

The Sarah Baartman District Municipality (SBDM) has developed ICT Services policies action plan which forms part of an ongoing submitted items in the ICT Steering Committee to track and ensure that **PHASE ONE (1) (ENABLEMENT PHASE)** is implemented, that all the required policies are developed, evaluated by all relevant committees (ICT Steering Committee, Mayoral Committee), and adopted by Council for the CGICTPF compliance purposes.

Below is the status with regards to compliance of Corporate Governance Information Communication Technology Policy Framework (CGICTPF):

- The **ICT Corporate Governance Policy** ICT Framework was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.
- The **Municipal Corporate Governance of ICT Charter** was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.
- The **ICT Steering Committee Charter** was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.
- **Governance Champion designated and responsibilities allocated.**
With regards to Governance Champion designation, the Governance Champion is designated to the Director: finance and corporate services and chief financial officer.
- **A proficient ICT Manager or CIO appointed functioning at strategic level:**
With regards to compliance to the above-mentioned requirement especially on ICT Manager, the actual position forms part of the proposed ICT organogram to ICT Unit, and ICT awaiting the review of the full organizational structure of the District Municipality.
- **Approved and implemented Risk Management Policy that includes the management of Municipal-related ICT risks.**
Status:
The Municipal Risk Management Policy was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.
- **Approved and implemented Internal Audit Plan that includes ICT audits.**
Status:
The IT Audit Action Plan remains an ongoing submitted item in the ICT Steering Committee Meetings to ensure that ICT related finding are actioned and implemented.

- **Approved and implemented ICT Management Framework.**
Status:
 The ICT Management Framework has been developed as of March 2022, which is currently in draft and must be submitted to the ICT Steering Committee meeting for the recommendation to be submitted to the Mayoral Committee and then Council for the adoption.
- **Approved and implemented municipal Portfolio Management Framework that includes ICT portfolio/programme and project management.**
Status:
 The ICT portfolio / project management policy framework has been developed as of March 2022, which is currently in draft and must be submitted to the ICT Steering Committee meeting for the recommendation to be submitted to the Mayoral Committee and then Council for the adoption.
- **Approved ICT Disaster Recovery Plan informed by Municipal Continuity Plan and Strategy.**
Status:
 The ICT Disaster Recovery Plan has been incorporated in the ICT Business Impact Analyses and Disaster Recovery Plan which is currently a draft and shall be submitted to the ICT Steering Committee Meeting, Mayoral Committee, and the Council for approval
- **Approved Data Backup and Recovery policy.**
Status:
 The Data Backup and Recovery policy has been incorporated in the ICT Business Impact Analyses and Disaster Recovery Plan which is currently a draft and shall be submitted to the ICT Steering Committee Meeting, Mayoral Committee, and the Council for approval.
- **Approved ICT Service Level Agreement Management policy (External).**
Status:
 The ICT Service Level Agreement Management policy (External) has been reviewed as of June 2022, which is currently in draft and must be submitted to the ICT Steering Committee meeting for the recommendation to be submitted to the Mayoral Committee and then Council for the adoption.
- **Approved ICT User Access Management policy.**
Status:
 The ICT User Access Management policy was adopted on 27th January 2021
- **Approved ICT Security Controls policy.**
Status:
 The ICT Security Control Policy to be reviewed on September 2022 for submission to the ICT Steering Committee, for the recommendation to be submitted to the Mayoral Committee and Council meeting for approval.
- **Approved ICT Operating System Security Controls policy.**
Status:

The ICT Operating System Security Controls policy was submitted in the ICT Steering Committee Meeting on 07th October 2021, for recommendation for submission to Mayoral Committee, and the Council for approval \ adoption.

- **ICT Code of Conduct**

Status:

The policy has been adopted by Council from the 15 October 2021

- **ICT Firewall Management Policy**

Status:

The policy has been adopted by Council on the 27 January 2021

The municipality's focus during this year was on **Phase 2 Strategic Alignment which was due by June 2019** and included the following areas:

8. Enterprise Architecture
2. ICT Strategy
9. ICT Migration Plan
10. ICT Performance indicators as contained in the municipalities Performance Management System.

The municipality has reviewed its Enterprise Architecture and resolutions were taken to adopt an optimum architecture. Also, the job descriptions of the positions within the ICT Unit was reviewed and amended to ensure inclusiveness and alignment to all policies and procedures.

1.2 Progress on Phase 2 Strategic Alignment:

11. Enterprise Architecture: The Enterprise Architecture Policy to be developed by 30 September 2022 for submission to the ICT Steering Committee meeting, and then recommended to the Mayoral Committee and Council for adoption.
12. ICT Strategy: For effective development of ICT Strategy, it is a requirement by AG for ICT Strategy to be in line with IDP. That ICT be represented by an ICT Personnel in IDP related meetings in order to ensure ongoing alignment of both ICT Strategy and IDP and incorporate ICT short term and long-term projects.

Initially the ICT Strategy period was (2013 – 2018) and has expired. Currently the ICT Strategy is in draft and incorporated proposed ICT Structure, outlined the IT plans and projects. In order to measure progress success of any project implemented. In addition, ICT Strategy to incorporate moving of SBDM premises to Kirkwood as well as Support to LM by means of shared services. Therefore, the District ICT Forum which was approved by the ICT Steering Committee meeting it to initiate the discussions of the shared services with the seven (7) local municipalities for incorporation in the ICT Strategy on the 29 September 2022 as part of the SBDM District ICT Forum. Then the draft ICT Strategy shall be submitted to ICT Steering Committee for review, as well as aligning of IT Strategy to overall municipal strategy (IDP) and submitted for Council approval.

13. ICT Migration Development in progress

The ICT Migration Development Policy to be developed by 30 September 2022 for submission to the ICT Steering Committee meeting, and the recommended to the Mayoral Committee and Council for adoption.

14. ICT Performance indicators as contained in the municipalities Performance Management System.: Please refer to ICT Service Level Agreement Management Policy (Internal)

Please refer to ICT Service Level Agreement Management Policy (External)

4. ICT Infrastructure Assessment

The scope and objective of this assessment was to identify key ICT infrastructure areas within the Sarah Baartman District Municipality that required urgent attention to be rectified, addressed and or to be replaced with suitable solutions. To also inform and communicate to the Municipality the findings and requirements to address the identified areas in alignment with recommended solutions

The scope of this assessment was limited to the ICT Infrastructure Environment; no detailed assessment was completed at end user level

The following areas were assessed:

- d) IT Infrastructure and Systems
 - Server hardware
- e) Network Infrastructure
 - Switches
 - Router
 - Firewall
 - Internet Gateway
- f) Power Infrastructure
 - MGE UPS System

Based on the assessment completed, an executive summary of the findings was presented at the ICT Steering Committee with recommendations to migrate from physical servers to virtual servers with reduced costs which were subsequently accepted and adopted.

2.1 Progress

- d) IT Infrastructure and Systems

- Server hardware:

Due to end of Support on January 14, 2020 for Windows Server 2008 R2 Standard that means regular security updates have also ended. Therefore, legacy hardware server that has also reached end of life needs to be replaced.

The budget for the virtualization of the servers has been approved by Council for the financial year 2022 of 2023. The committee structures have been approved and the Bid Specification Committee to meet on the 25th August 2022. The project

remains a priority to mitigate hardware failure and ensuring that Operating Systems are compatible with new evolving applications.

e) Network Infrastructure

- Switches:

The budget cost for the project has been submitted for the financial year 2022 – 2023 which has been approved by Council on the 25 May 2022. The project covers replacement of the Six (6) Cisco Switch including a Core Switch and maintenance contract coverage for the seventh (7) Cisco Switch since which is in good condition. The maintenance contract is required should the Cisco Switch become faulty; it can be replaced immediately.

Background

Initially the Bid No. 19/2021 for the Supply, Delivery, Installation, Configuration, Maintenance and Commissioning of Local Area Network Power Over Ethernet Switches was advertised on the SBDM website, E-Tender Portal and in the Herald of 10th September 2021. The closing date was 12 October 2021. The validity period expired on 10 January 2022.

The validity period was extended to 31 January 2022.

Bid Process

The BEC tabled the report to the BAC at its meeting on 13 December 2021

At this meeting, the Director: PED suggested that the legal opinion received by the BEC should be submitted to the BAC in writing and be part of the package. The Chairperson indicated that the minutes of the BEC should indicate the legal opinion by the Snr. Manager: Legal Services

The BAC resolved that

- a. Bid 19/2021 be referred to the BEC to include comments received from the Snr. Manager: Legal Services.

The BEC amended the reports to include the opinion of Snr. Manager: Legal Services who was not comfortable in signing the documented comments provided.

This caused delays in the resubmission of the BEC report to the BAC for reconsideration. In addition, the validity period of the bid expired. Therefore, on the 15 August 2022 The BAC approved the recommendation from the BEC for the cancellation of the bid 19/2021 Supply, Delivery, Installation, Configuration, Maintenance and Commissioning of Local Area Network Power Over Ethernet Switches. Therefore, a new bid has been registered and will be advertised on the 22 August 2022.

- Voice Router: Voice Router commissioned in 2013. Voice is out of maintenance contract and has reached its lifespan. The voice Router must be replaced and then a maintenance contract be entered to, should the router become faulty so that it can be replaced immediately.

Progress

The budget for the purchase and replacement of the Voice Router shall be submitted as part of the project to replace Call Manager System Server for the financial year (2023/2024).

- Firewall: The end of life is 29-08-2022. Therefore, the process of replacing the hardware must be initiated before the end-of-life date which is the start of financial year 2022/2023.

Progress

The FortiGate firewall form part of the Bid 17/2022 which was awarded by the Bid Adjudication Committee on 15 August 2022. Therefore, the Firewall is to be replaced as of 01 September 2022, when the new contract for Provision of Internet Services with Sip-Trunk (VoIP) and Firewall Management Support starts.

- Internet Gateway: The device belongs to the Internet Service Provider (ISP); therefore, it is under the ISP warranty. Therefore, this item does not have to be replaced by Sarah Baartman District Municipality

f) Power Infrastructure

MGE UPS System:

The budget rollover for the Un-Interrupted Power Supply to be approved by Council before end of August 2022. Then the Advertising of the Formal Quotation processes to commence.

The Quote 17 of 2021 Supply, Deliver and Installation of Un-Interrupted Power Supply, shall be re-advertised due to insufficient proposal received from service providers. The Quote Evaluation Committee received less than three Quotation to evaluate.

5. Implementation of Municipal Standard Charts of Accounts (mSCOA)

Bid No. 10/2021 for Development, Support and Maintenance of an Integrated mSCOA Financial Management and Internal Control System on APPX Platform was advertised on the SBDM website and in the Herald on 19 March 2021 inviting service providers to submit bids based on the specifications provided. A compulsory briefing session was held on 30 March 2021 at 10h00. The closing date was 20 April 2021 at 12h00.

The purpose of this bid is to appoint a service provider for the Development, Support and Maintenance of an Integrated mSCOA Financial Management and Internal Control System on APPX Platform.

The Bid No. 10/2021: Development, Support and Maintenance of an Integrated mSCOA Financial Management and Internal Control System on APPX Platform was awarded to Mortit Solutions (Pty) Ltd for the period commencing 15 June 2021 to 14 June 2024.

The objective of Cycle 1 (15 July 2021 – 14 July 2022) was to implement MSCOA systems and to support and maintain the existing APPX System. The Service Level Agreement milestones are listed below:

Integration of AMS 360

This milestone was generated to complete the outstanding project item from the previous project. The APPX programs for the interface were completed by the end of the prior project but had not been fully tested due to data mapping items, which were outstanding. At the end of the previous project, the interface to populate the Staging tables for AMS (Invoices, Votes and Suppliers) worked. The programs to import a journal, following a depreciation run in AMS, was not tested, but developed. There has been constant communication between the Sarah Baartman District Municipality (SBDM) and iPin (AMS Software Support) regarding the mapping of the votes inside of AMS. By the end of the project, the interface from APPX to AMS Staging Tables was tested successfully. The data was also tested successfully on AMS Software by way of the data flowing from the AMS Staging Tables to the AMS System. As of the 19th of July 2022, there was a depreciation run executed and we are busy testing to conclude the project. The work completed for this item in Cycle 2 will be logged as support.

Integration of CSD

This project milestone was successfully completed and went live on the 1st of July 2022. The discussion with the CSD team was extremely fruitful and the SBDM team assisted greatly with the scope of requirement. A few challenges existed which we overcame as a team. Multiple interface extractions were conducted where the data was tested with the SBDM team. This helped to streamline and plug any gaps which may come up in the live environment. These controls have substantially improved the payment process.

At the end of the year, many suppliers go dormant automatically and need to be activated again in the new year. Going live on the 1st of July 2022 meant that the supplier base for automation would be at its lowest and activation of suppliers would ensure the integrity of the data between CSD and APPX was at its maximum.

Inventory Stores

This project has been pushed into Cycle 2. The team and stakeholders need to be identified for the scope to be defined as per SBDM requirements. Some documentation has been received but not to aid the development of scope for SBDM.

IDP/SDBIP

A Call Desk was initiated to generate a Management Console for Project Managers to assist with the maintenance and management of financial and non-financial requirements. This development is still in test. The scope of this project is not clearly defined and the original expectations of Senior management contradicts the discussions with the main stakeholder. We have received documentation on actual IDP which has been implemented in test to manage Non-Financial Objectives, but further to this, the way forward is very unclear. This project will need to go into Cycle 2 and we suggest a clear scope be written defining the exact requirements from SBDM, where all stakeholders are in agreement. Treasury has recently sent a MSCOA presentation regarding the detail of IDP and SDBIP which will help with the higher-level implementation. Whilst not a scope document, it will help with the completion of a scope document. Members of the team have unfortunately not been readily available during this Cycle for various unforeseen reasons. We would like to place this as a high priority project in Cycle 2.

Documentation and Training

As systems were being developed, documentation was being completed, which included some procedures to assist.

Training and support were provided to key stakeholders when the project items became complete. During the development of the systems, key users and stakeholders were present to walk through the system to ensure they met the scope and requirements of initial expectations. We provided continued training, one on one, if requested for refreshing.

Reports (Schedules Amendments, Alignment and Strings)

Non-Financial Strings were a requirement which we needed to implement during Cycle 1. This was initiated and completed for the A Schedule and Strings. The user can extract data into the correct format by clicking a button. The data can then be passed to Treasury for processing.

Any amendments, alignments or strings requests were dealt with promptly to ensure that SBDM was shown as compliant to the reporting requirement.

Implementation of Financial Year End procedure

We completed and assisted SBDM with the Year End procedure and supplied documentation. An important part of the roll-over is the mapping of balance sheet accounts into different MSCOA specified accounts.

Support

The APPX Call Desk system was streamlined to cater for all users logging into a console. A change on the flow was completed, as well as the allocation of programs following transfer to the live environment. For programming helpdesk calls, the flow is as follows:

- User Logs Ticket (User)
- Allocation to IT (IT)
- Approval to start programming (FM)
- Complete Programming (Programmer)
- Approval of Results (User)
- Approval to Transfer programs (FM)
- Transfer and allocate programs (Programmer).

We were under the planned hours for Cycle 1. Any issues which arose were completed in the quickest time possible.

Project Service Level Agreement Tracker – Hours, Variance Explanation and Risks

Below

are the milestones as per the Service Level Agreement (SLA) for Cycle 1.

Plan Versus Actual Hours SLA Tracker (Year 1) (15 July 2021 - 14 July 2022) - 14 July 2022					
Milestones	Hours			Variance Explanation	Risks
	Planned	Actual	Variance		
Integration AMS 360	20	4.75	15.25	Could not test implementation due to mapping of Asset Parameters in third party system.	Medium Risk on parameter implementation for depreciation runs. Low Risk on programs on AMS and APPX, integration works.
Integration CSD	110	101	9	No problem and fully implemented.	Going forward, connectivity to CSD database whilst activating or adding suppliers could be considered a risk, but relatively low.
Inventory Stores	250	0	250	Project has not initiated and will move into Cycle 2	Current Risk is initiation of project with stakeholders to define the scope.
IDP/SDBIP	275	19	256	Initiated project by developing a Project Management Console based on the Budget System and the beginning portion of IDP setup. Scope has been unclear from total scope definition to what Input's, Outputs and Processing was required.	Availability of key Stakeholders. Definition of requirements in detail. Alignment of all SBDM Stakeholders on expectations of the project.
Development / Improvement of Systems	49	3	46	This item would have been used for the moving of the APPX System to a faster Server. The current resources available on the Server are sufficient for now and other systems were deemed higher priority.	No Risks.
Documentation and Training	25	0	25	This item formed part of support and the project's themselves.	No Risks.
Reports (Schedules Amendments, Alignment and Strings)	75	33.5	41.5	This item was well controlled. Non-Financial Strings implementation was the main contributor. No other large development required under this item. Small items relating to Schedulers and Strings were logged as Support.	No Risks.
Implementation of financial year end procedure	10	0	10	This item formed part of support.	No Risks.
Support	800	700	100	With three applications not completed they were not subjected to support following implementation.	No Risks.
Total	1614	861.25	752.75		

Summary

Some key items were completed successfully in Cycle 1. The challenges relating to some of the projects is predominantly related to availability of stakeholders and definition of detailed requirements. We are confident that these will be addressed in Cycle 2.

3.31 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

Risk Management and Procurement services have been covered under 2.6 and 2.8 above respectively.

Property

The SBDM currently operates its administration and all its Council affairs out of one administration building. The Municipality has several investment properties in various parts of the District. The manner in which they are classified, their location, size, values etc are contained in the Asset Register.

Legal Services

There is one Senior Manager: Legal Services who is responsible for litigation, to ensure compliance with all relevant Acts and Regulations, provide legal opinions in legal actions leveled against the Municipality, give advice on labour matters, assist in investigations relating to disciplinary hearings, prepare legal documents such as lease agreements, contracts etc, provide legal support to local municipalities and attend to all legal matters of the municipality.

SERVICE STATISTICS FOR LEGAL SERVICES

1. Management of litigation
 - a. Favourable cases - Nil
 - b. Unfavourable cases - Nil

There are no pending cases that sound in money that have not been finalized.

2. Default judgments - Nil
3. Prevention mechanisms of current litigations

The SBDM Risk Management Strategy incorporates the assessment of legal risk and the strategies that can be put in place as prevention mechanisms for such risks as identified. Every year a workshop on Risk Management is conducted.

4. Criminal matters emanating from corruption and fraud –Nil
5. Management of Legal Risks
There is no specific policy dealing with management of legal risk, this is dealt with in the Municipality's Risk Management Strategy.

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

All investments are made on property belonging to local municipalities. These have become assets of the local municipalities.

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

All investments are made on property belonging to local municipalities. These have become assets of the local municipalities.

COMPONENT J: MISCELLANEOUS

Not applicable to SBDM

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for 2022/23.



Sarah Baartman
DISTRICT MUNICIPALITY
Province of the Eastern Cape
progress through development

SARAH BAARTMAN DISTRICT MUNICIPALITY

ANNUAL PERFORMANCE REPORT

2022/2023

Objectives	Strategy	Project	Key Performance Indicators	Phase Manager	Department	Cost and Funds	Annual Budget	Capital Cost	Start Date	End Date	Notes	
DEVELOPMENT PRIORITY 3: ECONOMIC DEVELOPMENT The objective of this priority is to create jobs and stimulate economic growth through various initiatives.	1. Support small and medium enterprises (SMEs) through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Number of SMEs receiving financial and technical assistance. 2. Number of entrepreneurs and innovators supported. 3. Number of workers receiving skills and capacity training. 4. Number of investment projects attracted.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.	1. Support SMEs through financial and technical assistance. 2. Promote entrepreneurship and innovation. 3. Enhance the skills and capacity of the workforce. 4. Attract investment and create a conducive business environment.
DEVELOPMENT PRIORITY 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION The objective of this priority is to improve the quality of governance and public participation through various initiatives.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Number of public officials and staff receiving capacity building training. 2. Number of transparency and accountability initiatives implemented. 3. Number of public services improved. 4. Number of integrity and ethical conduct initiatives implemented.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.	1. Strengthen the capacity of public officials and staff. 2. Promote transparency and accountability. 3. Enhance the quality of public services. 4. Foster a culture of integrity and ethical conduct.
DEVELOPMENT PRIORITY 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT The objective of this priority is to transform the municipality and improve its organizational performance through various initiatives.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Number of municipal services improved. 2. Number of municipal operations enhanced. 3. Number of innovation and digital transformation initiatives implemented. 4. Number of municipal infrastructure projects completed.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.	1. Improve the quality of municipal services. 2. Enhance the efficiency of municipal operations. 3. Promote innovation and digital transformation. 4. Strengthen the municipal infrastructure.

UNA

Category	Strategy	Project	Phase	Key Performance Indicator	Other Measure	Q4	Year-to-Date Actuals 2022	Actual Target 2022	Percent	Target	Actual	Notes	Start Date	End Date

MUNICIPAL BONDING

 Date: 20-8-2022

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CHAPTER 4

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2022/2023	2022/2023			
	Employees	Approved posts	Employees	Vacancies	Vacancies
	No	No	No	No	%
Water and Sanitation	1	1	1	0	0%
Housing	0	0	0	0	0%
PMU	3	3	3	0	0%
Roads and Transport	0	0	0	0	0%
Planning	3	3	3	0	0%
Local Economic Development	4	5	4	1	20%
Environment Protection (EHS)	14	14	14	0	0%
Corporate Services	18	19	18	2	11%
Disaster Management /Fire	15	16	15	1	6%
Office of Municipal Manager	9	12	9	3	25%
Finance	17	17	17	0	0%
Infrastructure Services	2	4	2	2	50%
Totals	86	94	86	9	10%
Vacancy rate: 2022/2023					
Designations	Total approved posts		Vacancies		% Vacancies
Municipal Manager	1		0		0
CFO	1		0		0
Other S57 Managers (excl Finance posts)	2		2		50

Other S57 Managers (Finance posts)	0	0	0
Fire fighters	3	0	0%
Professionally Qualified & Experienced Specialist/Mid Management TK 14 – 18 (excl Finance posts)	14	2	14%
Professionally Qualified & Experienced Specialist/Mid Management TK 14 – 18 (Finance posts)	1	0	0%
Skilled Technical & Academically Qualified /Junior Management TK 9-13 (excl Finance posts)	39	4	10%
Skilled Technical & Academically Qualified /Junior Management TK 9- 13 (Finance posts)	8	0	0
Total	69	8	12%

COMMENT ON VACANCIES AND TURNOVER:

All Senior Managers positions in the form of the Municipal Manager and Managers [Section 54A and Section 56 Managers] reporting directly to her are filled. Some vacancies in the Professional level have not been filled and remain a challenge. The Council has gone through a process of reviewing all job descriptions where some have been subjected to evaluations with Final Outcome Results confirmed by the external Auditing Service provider for implementation. The organizational structure has been reviewed and approved by Council. Three (3) new positions have been approved and the recruitment process will commence in the 2023/2024 financial year.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Over the course of the year, the SBDM developed and updated several policies. These policies are normally canvassed broadly with employees and Councilors, the Local Labour Forum, Mayoral Committee and finally to Council for approval. It is anticipated that in future all policies will be placed on the Intra-net.

4.2 POLICIES

HR Policies and Plans				
	Name of policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
1	Time and Attendance	100%	Not reviewed in the 2020/2021 period Part of policy register for reviewal 2022/2023	Existing policy approved but requirements for renewal needs to follow the approved policy review process.
2	Bereavement and Funeral assistance	100%	Reviewal period is 2022/2023	Existing policy approved but requirements for renewal needs to follow the approved policy review process when it is due for reviewal.
3	Cellphone Policy	100%	2020/2021	Policy reviewal process started and needs to be taken back to LLF for final consideration. Policy must be workshopped to all Councilors.
4	Records Management	100%	Part of policy register for reviewal 2022/2023	Existing policy approved but requirements for renewal needs to follow the approved policy review process.
5	Employee Wellness	100%	November 2019	Policy reviewal can only commence now that bid

				processes have been concluded and services procured. Policy now becomes a “live” document where pitfalls identified can be changed and amended based on current services.
6	ICT Policies	100%	Approved	Approved
7	Disciplinary Code Collective Agreement	100%	National Competence, discussed and finalised at SALGBC	Approved by Central Bargaining Council
8	HIV/Aids Collective Agreement	100%	National Competence, discussed and finalised at SALGBC	Approved by Central/Divisional Bargaining Council
9	Wage Curve	100%	National Competence, discussed and finalised at SALGBC	Approved by Central Bargaining Council
10	Essential Services	100%	National Competence, discussed and finalised at local level and submitted to SALGBC for ratification	Approved by ESS Committee following submission

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of days and cost of Sick Leave (excl Injuries on duty) Requested information from APPX					
Category	Total sick leave days	Proportion of sick leave w/out medical certification	Employees using sick leave	Total employees in post	Estimated cost
Professionally qualified and experienced	39	15	2	2	R110 838
Semi-skilled and discretionary decision	351	119	25	29	R327 132
Senior management	96	30	8	9	R322 080
Skilled technical and academically qualified	273	95	28	39	R389 844
Top management	0	0	0	2	R0
Unskilled and defined decision making	8	1	1	1	R4 136

Number and period of suspensions				
Nature of misconduct	Date of suspension	Details of disciplinary hearing	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Insubordination	Employee was not suspended	Employee was charged for misconduct	Employee was found guilty and given a final written warning on agreeing to apologize.	11 March 2022

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE AWARDS

Performance reviews with panels for MM and Sec 57 must still be constituted for 2018/19 and therefore no awards to beneficiaries are indicated.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

- SBDM has a Skills Development Programme policy which ensures that all employees are trained through an annual approved Workplace Skills Plan.
- Individual profiles are drawn where skills and knowledge gaps are identified on an annual basis against Council broader objectives in order to train employees.
- A budget is set aside annually for training of employees in soft skills, full academic qualification, and work related training.
- In addition SBDM has budgeted an amount of R250 000.00 to provide study assistance to employees who wish to study part time and improve their qualifications at various universities and colleges.
- Directors and Managers are sent on training programmes to enable them to obtain competency qualifications as prescribed by National Treasury.

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- In addition, SBDM has budgeted an amount of R250 000.00 to provide study assistance to employees who wish to study part time and improve their qualifications at various universities and colleges.
- Directors and Managers are sent on training programmes to enable them to obtain competency qualifications as prescribed by National Treasury.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Programs

No	Name of Learning Intervention (Other)	Type of Learning Intervention	Name of Beneficiaries	Total Number of Beneficiaries
1	Municipal Financial Management Programme	Learnership	Andile Lenox Marasi Charlene Tarin Booysen Nomalungelo Koba Joerhan Mey Karen Smith Solethu Lucas Xolile Galada Siseko Nodonti Elia Robin Jantjies Fundisa Anthony Siphokazi Ngcwayi Zethu Joni Olwethu Thompson Siziphiwe Mabanga Dumisani Catcha	15
2	Incident Management	Skills Programme	Amanda Tiso	1
3	Report Writing	Skills Programme	Lwando Mcako Siyavuya Gumbi Zanele Dyayiya	3
4	Leadership and Management	Skills Programme	Yoliswa Loretta Booysen	1
5	Integrated waste Management	Skills Programme	Noxolo Matshaka	1

6	Environmental Impact	Skills Programme	Ambesiwe Bavuma Noxolo Matshaka	2
7	Stress Management	Skills Programme	Yoliswa Loretta Booyesen	1
8	Project Management Advanced	Skills Programme	Zoleka Somi Sharon Betha Mlamleli Maqokolo Manelisi Mbangi Lwando Mchako	5
9	Water Quality Analysis	Skills Programme	Noxolo Matshaka	1
10	Minute taking	Skills Programme	Nasmien Khan Gladys Boyce	2
11	Emotional Intelligence	Skills Programme	Gerain David Yoliswa Booyesen Zanele Dyayiya	3
12	Telephone Etiquette	Skills Programme	Nqabakazi Smile Zelpha Kota	2
13	Time Management	Skills Programme	Zoleka Somi	1
14	Asset Maintenance and Management	Skills Programme	Jacque Koopman	1
15	Peace Officer Training	Skills Programme	Siyavuya Virginia Gumbi	1
16	Tax Submission sage Updates	Skills Programme	Gerain David	1
17	Microsoft Packages (Intermediate / Advanced)	Skills Programme	Beverley Trollip	1

18	Auto CAD	Skills Programme	Surprise Mkhathswa	3
19	ArcGIS - Aeronautical Reconnaissance Coverage Geographic Information Systems (Basic) Migrating from ArcMAP to ArcGIS Pro	Skills Programme	Surprise Mkhathswa	1
20	ArcGIS - Aeronautical Reconnaissance Coverage Geographic Information Systems (Advanced)	Skills Programme	Surprise Mkhathswa	1
21	GRAP / Accounting Standard Update and Implementation Standards	Skills Programme	Sibongiseni Papu Khaliphile Biyana Jacques Koopman	3
22	Career Management	Skills Programme	Cindy Lin Jacobs	1
23	CompTIA A+	Skills Programme	Michaela Borchers Dale Kramer	2
24	Microsoft 365 Certified Fundamentals	Skills Programme	Dale Kramer	1
25	Microsoft 365 Certified Teams Administrator Associate	Skills Programme	Dale Kramer	1
26	Certified Information System	Skills Programme	Chuma Mabindla	1
27	Adult Education and Training (AET) - ABET Levels 1, 2, 3 and 4	Skills Programme	Jacob Pretorius Johannes Lukas Stephen Cook	3
28	Monitoring & Evaluation	Skills Programme	Olwethu Kwababana	1
29	MS Word - Basic	Skills Programme	Elia Robin Jantjies	1

30	MS PowerPoint - Basic	Skills Programme	Elia Robin Jantjies	1
31	MS Excel 2010 Basic	Skills Programme	Elia Robin Jantjies	1

FULL QUALIFICATION

NO	QUALIFICATION	TOTAL NO BENEFITED	INSTITUTION	Name of delegate
1	Bachelors: Public Administration	1	Mancosa	Clr N Gaga
2	Bachelors: Public Administration	1	Mancosa	Clr X Ruleni
3	Bachelor of Arts Disaster and Safety Management	1	Lyceum College	N Khan
4	Master's Degree of Urban and Regional Planning (professional)	1	University of Free state	S Mkhathswa
5	Bachelor of Arts: Community Development	1	UNISA	B Botha
6	Post Graduate Diploma In Public Health	1	University of Pretoria	N Qolo
7	Master of Public Administration	1	Mancosa	C Bender
8	Master's of Engineering (professional): Civil and Environmental Engineering	1	University of Witwatersrand	P Sunduzwayo
9	Bachelor of Arts Disaster and Safety Management	1	Lyceum College	D Mbolekwa

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

Financial Competency Development: Progress report						
Description	A. Total number of officials employed by municipality	B. Total number of officials employed by municipal entities	Consolidated : Total of A and B	Consolidated competency assessments completed A and B	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 (Reg 14(4)(e4))
Financial Officials	6	1	7	7	NA	6
<i>Accounting officer</i>	1	0	1	1	1	1
<i>CFO</i>	1	0	1	1	1	1
<i>Senior managers</i>	2	0	2	1	2	1
<i>Other</i>	6	-	6	5	NA	5
<i>Other Finance</i>	0	-	0	0	-	-
Supply Chain Management officials	2	-	2	2	-	2
Heads of SCM Units	-	-	-	-	-	-
SCM senior managers	-	-	-	-	-	-

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

NUMBER OF EMPLOYEES WHO'S SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED - Nil

EMPLOYEES WHOSE SALARY LEVELS ARE PERSONAL TO HOLDER FOLLOWING IMPLEMENTATION OF JOB EVALUATION - 23

EMPLOYEES APPOINTED TO POSTS NOT APPROVED - nil

EMPLOYEE COSTS

The Employee costs for the municipality in the 2022/23 financial year amounted to R64 709 618 which included an amount of R7 197 462 for Councillors Remuneration.

DISCLOSURES OF FINANCIAL INTERESTS

This information is contained in the financial statements. See Note in the Annual Financial Statements (AFS).

CHAPTER 5 – FINANCIAL PERFORMANCE

PLANNING AND BUDGETING

The 2022/23 Medium-Term Revenue and Expenditure Framework (MTREF) was prepared in terms of the approved Integrated Development Plan and Budget process plan approved by Council. The 2022/23 MTREF was approved after stakeholder and community consultation by Council on 25 May 2022.

ACCOUNTING AND REPORTING

The municipality has the necessary financial-related policies approved by Council and these policies are reviewed annually. The implementation of the policies assists in ensuring compliance with the Standards of Generally Recognised Accounting Practices (GRAP).

The annual financial statements are prepared internally in terms of GRAP. None of the GRAP standards which became effective during the financial year were applicable to the municipality. The annual financial statements were reviewed by management and internal audit before submission to the Audit Committee, for final review.

The high standard of accounting and reporting practices by the municipality has attributed to the municipality achieving its 17th consecutive Unqualified Audit Opinion from the Auditor-General.

ASSET AND LIABILITY MANAGEMENT

Assets

The total assets of the municipality amount to R278.3 million with the current assets amounting to R230.4 million and the non-current assets amounting to R47.9 million respectively. The current assets are mainly comprised of short-term investments and cash and cash equivalents and the non-current assets comprising of investment property, property, plant and equipment and heritage assets.

The municipality had an approved budget for capital expenditure of R17.4 million for the financial year. An amount of R3.8 million was spent which equates to 21.8% of the approved budget.

It is however important to note that the municipality does not have infrastructural assets. All capital assets implemented at the municipality as projects forms part of project expenditure and upon completion of the project, the asset is capitalized in the respective local municipalities' accounting records.

Liabilities

The total liabilities of the municipality amounts to R75.3 million with the current portion amounting to R23.7 million and the long-term portion R51.7 million. The current portion is mainly comprised of payables from exchange transactions and the short-term portion of post-employment medical benefits.

The payables from exchange transactions amount to R18.5 million. Of this amount, R1.7 million relates to the interest on the Municipal Infrastructure Grant and that the municipality is administering on behalf of Makana Local Municipality.

REVENUE AND EXPENDITURE MANAGEMENT

Revenue

The total revenue generated by the municipality for the financial year amounted to R142.4 million with 80% attributable to government grant and subsidies and 12% to interest income.

The above results demonstrate the municipality's over-reliance on government grants and interest generated from cash investments. The limited increases in the government allocations through the Division of Revenue Act impacts negatively on the municipality's revenue base. Also, the use of accumulated surplus to fund the budget reduces the potential interest income generated on cash investments.

The municipality received the following grants in accordance with the Division of Revenue Act:

Unconditional grants

Equitable Share	R 33 246 000
Levy Replacement Grant	R 71 330 000

The above grants were utilized in the operations of the municipality.

Conditional grants

Finance Management Grant	R 1 000 000
Rural Roads Asset Management Systems Grant	R 2 396 000
Expanded Public Works Grant	R 1 073 000

Regular reports on spending were submitted to the relevant government departments as well as National Treasury.

Expenditure

The actual expenditure incurred amounts to R147.4 million for the financial year, which represents 67% spent of the 2022/23 adjusted budget.

Employee costs including councilors remuneration represents 44% of the total expenditure incurred.

SUPPLY CHAIN MANAGEMENT

The municipality has an approved Supply Chain Management Policy, which is being implemented effectively by the Supply Chain Management unit and officials. The internal control environment is strong and is improving continuously.

The irregular expenditure amounted to R1.5 million for the year which has increased from the prior year. The irregular expenditure is as a result of non-compliance with supply chain management regulations.

The municipality will be monitoring the current controls in place to ensure that incidents of non-compliance are reduced and prevented.

OTHER FINANCIAL MANAGEMENT

	Indicator name	Target set for the year	Achievement level during the year	Achievement percentage during the year
		R / %	R / %	%
1	Percentage of expenditure on capital budget	R 17.4 mil	R3.8 mil	21.8%
2	Salary budget as a percentage of the total operational budget	R221.9 mil	R73.3 mil	47%
3	Total municipal own revenue as a percentage of the total actual budget	R53.6 mil	R10.3 mil	19%
4	Percentage of FMG budget appropriately spent	R 1.0 mil	R1.0 mil	100%
5	Total actual trade creditors as a percentage of total actual revenue	13%		
6	Rate of municipal consumer debt reduction	There are no municipal consumer debtors as the municipality does not have consumers. Its primary debtors are Organs of State.		
7	Percentage of MIG budget appropriately spent	The municipality does not receive its own MIG allocation.		
8	Arrears in property rates and service charges	The municipality does not levy property rates or service charges		

OVERSIGHT AND OPERATIONAL CONTINUITY

The municipality prepares the required reports in terms of the Municipal Finance Management Act which include amongst other, the section 71 monthly report, section 52 quarterly report, section 72 mid-year report and the quarterly supply chain management report. The reports are submitted to Treasury, Sector Departments and the Auditor-General (where applicable).

The above reports include all relevant information such as budget versus actual performance, reasons for variances, etc. These reports are submitted to the Audit Committee, Municipal Public Accounts Committee, Mayoral Committee and Council for monitoring and oversight.

FINANCIAL INDICATORS			
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
BUDGET MANAGEMENT			
1.1	Percentage over-spending of the final approved operating expenditure budget	Not over-spent	Not over-spent
1.2	Percentage under-spending of the final approved capital budget	79%	93%
GRANT MANAGEMENT			
2.1	Percentage under-spending of conditional grants received	15% under-spent Rollover applied for	Not under-spent
EXPENDITURE MANAGEMENT			
3.1	Creditor-payment period	51 Days	30.5 Days
REVENUE MANAGEMENT			
4.1	Debtor-collection period (before impairment)	No service debtors	No service debtors
4.2	Debtor-collection period (after impairment)	No service debtors	No service debtors
4.3	Debtors impairment provision as a percentage of accounts receivable	64.6%	42.9%
ASSET AND LIABILITY MANAGEMENT			
5.1	A deficit for the year was realised (total expenditure exceeded total revenue)	Yes	No
5.2	A net current liability position was realised (total current liabilities exceeded total current assets)	No	No
5.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
5.4	Percentage of PPE and/or intangible assets impaired	0.3%	5%
5.5	Percentage of loan receivables (loans awarded) and/or investments impaired	0%	0%
CASH MANAGEMENT			

FINANCIAL INDICATORS			
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
6.1	The year-end bank balance was in overdraft	No	No
6.2	Net cash flows for the year from operating activities were negative	No	No
6.3	Cash and cash equivalents as a percentage of operating expenditure	38%	67%
6.4	Creditors as a percentage of cash and cash equivalents	32%	16.8%
6.5	Percentage by which unspent conditional grants received exceeds cash available at year-end	Not exceeded	Not exceeded
6.6	Current liabilities as a percentage of net cash inflows for the year from operating activities	7.60	6.70
6.7	Long-term debt as a percentage of net cash inflows for the year from operating activities	8.87	8.14
6.8	Employee benefit obligation as a percentage of net cash inflows for the year from operating activities	8.87	8.14

CHAPTER 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A

6.1. AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2021/2022

Report of the auditor-general to the Eastern Cape Provincial Legislature and council on the Sarah Baartman District Municipality

Report on the audit of the consolidated and separate financial statements

Opinion

I have audited the consolidated and separate financial statements of the Sarah Baartman District Municipality and its municipal entity (group) set out on pages ... to ..., which comprise the consolidated and separate statement of financial position as at 30 June 2022, consolidated and separate statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget information with actual information for the year then ended, as well as the consolidated and separate notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

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

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.

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

Emphasis of matter

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

Restatement of corresponding figures

As disclosed in note 30 to the consolidated and separate financial statements, the corresponding figures for 30 June 2021 have been restated as a result of errors identified in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2022.

Other matters

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

Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

In preparing the consolidated and separate 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's or to cease operations, or has no realistic alternative but to do so.

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor’s report.

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality’s annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
Development priority 1 – basic service delivery and infrastructure development	x – x

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not identify any material findings on the usefulness and reliability of the reported performance information for basic service delivery and infrastructure development.

Report on the audit of compliance with legislation

Introduction and scope

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

The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

Reasonable steps were not taken to prevent irregular expenditure amounting to R1 million as disclosed in note 34 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 supply chain management regulations.

Procurement and contract management

The performance of some contractors or providers was not monitored monthly, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

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

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report.

My opinion on the consolidated and separate financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

The other information was not received prior to the date of this auditor's report. After I receive and read this information, if I conclude that there is a material misstatement, 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 reissue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

The municipality developed a plan to address internal and external audit findings, but the appropriate level of management did not monitor adherence to the plan in a timely manner. This is evidenced by repeat findings in material compliance with legislation.

East London

15 December 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMPONENT B

6.2. AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2022/23

Report of the auditor-general to the Eastern Cape Legislature and Council on the Sarah Baartman District Municipality

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Sarah Baartman District Municipality set out on pages ... to ..., 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 consolidated and separate financial statements , including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Sarah Baartman District Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA 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 opinion

3. 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 consolidated and separate financial statements section of my report.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 29 to the consolidated and separate financial statements , the corresponding figures for 30 June 2022 have been restated as a result of errors identified in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2023

Other matters

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

Unaudited disclosure note

9. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

10. The supplementary information set out on pages ... to ... do not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
12. In preparing the consolidated and separate 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

13. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

Report on the annual performance report

15. 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following material performance indicators related to the development priority basic service delivery and infrastructure development, presented in the annual performance report for the year ended 30 June 2023. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- Completion of water service development plans (WSDP) for seven local municipalities
 - Procurement of waste management fleet, delivery of waste management fleet, greening and beautification of seven identified Illegal dumping sites and erection of no dumping signages in Makana Local Municipality.
 - Landscaping, planting of trees, shrubs and plants, clearing of illegal dumping sites, provision of refuse bins and conducting community clean-up awareness programme in Alicedale, Makana Local Municipality including recruitment of eight community workers
 - Provision of stormwater channels and cleaning of draining system in Addo, Sundays River Valley Local Municipality, including recruitment of 15 community workers and procurement of personnel protective equipment
 - Training for 14 fire services personnel for local municipalities.
17. I evaluated the reported performance information for the selected material performance indicators 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.
18. 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 targets/measures taken to improve performance.

19. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

20. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement / measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

<h3>Report on compliance with legislation</h3>

23. 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.

24. 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.

25. 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.
26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure amounting to R1,5 million as disclosed in note 33 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 supply chain management regulations.

<h3>Other information in the annual report</h3>
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28. The accounting officer is responsible for the other information included in the annual. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in development priority presented in the annual performance report that have been specifically reported on in this auditor's report.
29. 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.
30. 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 material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. 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

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.
33. The municipality developed a plan to address internal and external audit findings, but the appropriate level of management did not monitor adherence to the plan in a timely manner. This is evidenced by a repeat finding in material compliance with legislation.

East London

07 December 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 material performance indicators 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), 32(6)(a), Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii), Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), Sections 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulation 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), 17(1)(b), Regulations 17(1)(c). 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a) and (b), 29(5)(a)(ii),

	29(5)(b)(ii), Regulations 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Sections 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, 2004	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), 7(1), Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 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)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a), Sections 29(2)(c), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), Sections 67(1)(d), 74(1), 93J(1), 96(b) Parent municipality with ME: Sections 93B(a), 93B(b) Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(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)

6.3 RESPONSE TO THE AUDIT REPORT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

In accordance with the Public Audit Act, Council has to consider the Audit Report within one month after the audit report has been submitted by the Auditor General.

Council has received an unqualified audit report and the Auditor-General has certified that the Consolidated and Separated Financial Statements present fairly, in all material respects, the consolidated and separate financial position of the group 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 Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

1. REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

The Auditor-General evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2023:

Development priority 1 – Basic service delivery and infrastructure

The Auditor-General performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. The Auditor-General performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The Auditor-General did not identify any material findings on the usefulness and reliability of the reported performance information for basic service delivery and infrastructure development.

2. REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

The Auditor-General has a responsibility to report material findings on the compliance of the municipality on specific matters in key legislation.

The material findings on compliance with specific matters in key legislation were as follows:

Expenditure management

Reasonable steps were not taken to prevent irregular expenditure amounting to R1,5 million as disclosed in note 33 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 supply chain management regulations.

The municipality will ensure that all the required processes are undertaken to deal with the irregular expenditure in accordance with the MFMA.

It should however be noted that the municipality's control environment in supply chain management has improved year on year but acknowledges that further improvement is required. Management will assess the recommendations made by the Auditor General and implement the recommendations accordingly.

The municipality does also confirm that value for money was obtained for the irregular expenditure incurred.

3. INTERNAL CONTROL

The Auditor-General considered internal control relevant to the audit of the financial statements, reported performance information and compliance with applicable legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

The internal control deficiencies raised by the Auditor-General relates directly to the findings raised above and is the result thereof. The management responses to the findings will thus be implemented ensuring that the internal control environment of the municipality is strengthened. This will then result in an improved audit report in the year ahead.

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

NOTE: This list incorporated Councillors who served after **Local Government Elections** that took place on **01 November 2021** and they took oath/affirmation on **25 November 2021**

Councillors, Committees allocated and Council Attendance					
Council members	Full-time/Part-time FT/PT	Committees allocated	Local Municipality/ Party represented	% Council Meetings attended	% apologies for non-attendance
Sonkwala P	PT	MPAC	Blue Crane Route	100%	N/A
Bezuidenhout DJ	PT	-	Dr Beyers Naudé	75%	12.5%
Hendricks K (Ms)	PT	Women's Caucus	Dr Beyers Naudé	87.5%	12.5%
Van Heerden A	PT	MPAC	Dr Beyers Naudé	75%	25%
Hendricks HM (Resigned on 15 August 2022)	PT	MPAC	Kouga	12.5%	87.5%
Foley R (Replaced Alderman Hendricks on 30 September 2022)	PT			62.5%	0%
Bornman CH	PT	-	Kouga	75%	12.5%
Gunuz-Batyi VP (Ms)	PT	MPAC Women's Caucus Remuneration Committee	Kouga	100%	N/A
Valgee M (Ms)	PT	MPAC Women's Caucus	Kouga	100%	N/A
Krige R	PT	Women's Caucus	Koukamma	87.5%	0%
Sikiwe N (Ms)	PT	MPAC Women's Caucus		100%	N/A
Booyesen M	PT	MPAC	Makana	75%	12.5%
Cetu Z (Ms)	PT	Women's Caucus	Makana	100%	N/A
Madyo XG	PT	-	Makana	87.5%	12.5%

Khungwayo P	PT	MPAC	Ndlambe	100%	N/A
Runeli X	PT	MPAC	Ndlambe	87.5%	0%
Venene S	PT	-	Ndlambe	62%	12.5%
Langbooi N (Ms)	PT	MPAC Women's Caucus	Sundays River Valley	100%	N/A
Smith K (Ms)	PT	Women's Caucus DWIF	Sunday's River Valley	87.5%	0%
Councillors, Committees allocated and Council Attendance					
Council members	Full-time/Part-time FT/PT	Committees allocated	Local Municipality/ Party represented	% Meetings attended	% apologies for non-attendance
Gaga NS (Ms)	FT	Rules Committee Women's Caucus	ANC	100%	N/A
De Vos DWS	FT	Mayoral Committee Rules Committee Mayors Forum	ANC	100%	N/A
Booyesen CT (Ms)	FT	Mayoral Committee Women's Caucus ICT Steering Committee IDP-Budget Steering Committee Remuneration Committee	ANC	100%	N/A
Faxi PP	FT	Mayoral Committee DWIF	ANC	100%	N/A
Funiselo Z (Ms)	FT	Mayoral Committee Women's Caucus Rules Committee	ANC	87.5%	12.5%
Lucas S	FT	Mayoral Committee Local Labour Forum, Relocation Task Team Rules Committee Budget Steering Committee ICT Steering Committee	ANC	100%	N/A
Britz JHP	PT	Remuneration Committee DWIF	DA	87.5%	0%
Erasmus L (Ms)		DWIF Women's Caucus		75%	25%
Gailey RMJ	PT	DWIF	DA	62.5%	25%

Jantjies ER	PT	DWIF MPAC	DA	87.5%	0%
Mey JV	PT	DWIF MPAC	DA	87.5%	0%
Koba NM (Ms)	PT	MPAC Women's Caucus Remuneration Committee	EFF	87.5%	0%

Some Councillors also serve on various forums and sub-committees set up by the Council for special purposes. Details of these committees and forums are contained in the above table.

NOTE: The District Municipality only has a Mayoral Committee. There are no Portfolio Committees.

Councillors of the District Municipality serve on District Intergovernmental Forums which include DWIF, District Aids Council, District Health Council etc. These forums meet quarterly and make recommendations to the Mayoral Committee.

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral Committee) and Purposes of Committees	
Municipal Committees	Purpose of committee
Municipal Public Accounts Committee	Oversight over Executive function
Audit and Risk Committee	Oversight of financial reporting and disclosure, review of the work of Internal Audit, the Risk Management System and Performance Management System
District Health Council	Oversees all matters pertaining to Primary Health Care and related health functions in the District, eg EMS
Local Labour Forum	Consultation between the employer and employee bodies on all labour relations and HR issues
District Aids Council	Programmes and policies that pertain to combatting the scourge of HIV and Aids
District Wide Infrastructure Forum	Intergovernmental Forum which deals with integrated infrastructure development in the District
Budget Steering Committee	Assists the Executive Mayor to perform her responsibility in terms of section 53 of the MFMA with regard to budget processes and related matters
Training Committee	Training and development of employees
Remuneration Committee	Advise Council on remuneration matters that affect

	section 54A and 56 managers
Anti-corruption and Fraud Prevention Committee	Develop and review policies and strategies to improve internal control to prevent undesirable practise and to mitigate risks to the institution
Relocation Committee	Relocation of the District Head Office to Addo
Rules Committee	Review the Rules and Orders of Council

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Manager (State title and name)
Office of the Municipal Manager	Manager: Office of the Municipal Manager - Vacant
	Manager: PMS - G Terblanche
	Senior Manager: Legal Services - F Anthony
Finance and Corporate Services	Senior Manager: Corporate Services - Z Stuurman
	Senior Manager: Finance – K Vaaltein
Economic Development and Planning	Project Manager: LED - D Magxwalisa
	Project Manager: Tourism and Marketing – P Tanga
	Manager: Development Planning - M Maqokolo
	Development Planner - M. Bendle
Infrastructure Development and Community Services	Manager: Water and Sanitation – K. Sanyamandwe
	Senior Manager: PMU – O Kwababana
	Senior Manager: Disaster Management – K Majokweni
	Manager: Environmental Health Services - T. Mokoena
	Manager: Disaster Operations – N. Matshakazi

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function applicable to municipality (Yes / No)	Function applicable to entity (Yes / No)
Constitution Schedule 4 Part B functions		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	No	No
Trading regulations	No	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	No	No
Cemeteries, funeral parlours and crematoria	No	No
Cleansing	No	No
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No but carries out Health Inspections as part of the EHS function	No
Local amenities	No	No
Local sport facilities	No	No
Markets	No	No
Municipal abattoirs	No	No
Municipal parks and recreation	No	No
Municipal roads	No	No
Noise pollution	Yes – Function of	No

	Municipal Health	
Pounds	No	No

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function applicable to municipality (Yes / No)	Function applicable to entity (Yes / No)
Constitution Schedule 4 Part B functions		
Public places	No	No
Refuse removal, refuse dumps and solid waste disposal	No	No
Street Trading	Health & Hygiene education EHS function	No
Street lighting	No	No
Traffic and parking	No	No

APPENDIX E – WARD REPORTING

Not applicable

APPENDIX F – WARD INFORMATION

Not applicable

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND RISK COMMITTEE 2022/2023 AND REPORT BY THE AUDIT AND RISK COMMITTEE

No	Date of meeting	Item	Action	Officer	Due Date	Status
1.	23 September 2021/4 Feb 2022/21 June 2022	7. Reports from the Municipal Manager	<p>(a) The Municipal Manager to prepare a formal quarterly report to be tabled at each quarterly meeting</p> <p>(b) The Municipal Manager to ensure that the Disciplinary Board is functional</p>	Municipal Manager	<p>7 December 2022</p> <p>19 December 2022</p>	To be included in agenda for next quarterly meeting Acting MM to report back to ARC by Monday 7 Feb 2022 on full Disciplinary Board
2.	11 May 2023	7. Reports of the Municipal Manager for the last quarter	<p>(a) that the Municipal Manager be required to provide the Audit Committee at each meeting with a high-level overview of key issues that had occurred during the previous quarter;</p> <p>(b) that such report could be presented verbally if the Municipal Manager was in attendance at the meeting;</p> <p>(c) that if the Municipal Manager could not attend a specific meeting, she provide a written report containing key issues from the previous quarter that needed to be brought to the attention of the Committee.</p>	Municipal Manager	Each ARC meeting	

3.	24 August 2023	7. Reports of the Municipal Manager for the last quarter	That the Municipal Manager submit an Overview to the Committee in the agenda for its next Quarterly meeting to be held on 09 November 2023	Municipal Manager	09 November 2023	
4.	23 September 2021/4 Feb 2022/21 June 2022	9. Internal Audit Assurance 9.2 Network Vulnerability Assessment	Internal audit to decide the best time to do the follow up on the vulnerability report and report back to the Audit and Risk Committee.	Internal Audit	7 December 2021	Feedback to be provided at ARC meeting 10 March 2022
5.	19 January 2023	9.1.1 Properties	(a) That an investigation be carried out into the three properties owned by Council that were being illegally occupied and submit a report thereon to the ARC and Council; (b) That a consolidated summary listing of all properties owned by the Council be submitted to the ARC (c) That signed lease agreements for all Council-owned properties that were being leased be in place and a tracking system of leases be maintained; (d) That an investigation be carried out into whether there were past rentals due on any properties that needed to be recovered.	Directors: PED / F&CS / Municipal Manager - Legal		Report in agenda – ANNEXURE “” under Matters Arising
6.	24 August 2023	9. Internal Auditors	(a) That feedback be provided to the Committee on the appointment of the new Internal Auditors; (b) That it be confirmed that the new Internal Auditors would review the last set of reports prepared by the former Internal Auditors to confirm that they have been reviewed and accepted by Management and that the recommendations in terms of implementing the mitigating actions are under way.	Senior Manager: PMS		
7.	15 September 2022	10.5 Financial Sustainability Model	That the MM inform the Chairperson of the dates for the Strategic Session on Financial Sustainability and the Management meeting to be held to prioritise projects for investment.	Municipal Manager	21 September 2022	The Financial Sustainability Plan was tabled to ARC on 11 September 2022
8.	21 June 2022	10.3 SCM report	That Directors implement stricter controls over Project Managers to ensure that they update the SCM registers (contracts register and commitments register) on a regular basis	Department Heads	11 May 2023	
9.	19 January 2023	6.1 Minutes of meeting 01 December 2022	(a) Check how the cash flow was indicated and if necessary, change the comments. (b) Questions regarding variances on remuneration of employees, repairs and maintenance and general expenditure, were not responded to at the meeting on 1 December 2023 and	Director: Finance and Corporate Services Project Managers		Done

			project managers needed to be called upon to respond.			
10.	19 January 2023	10.3 Draft Adjustment Budget	<p>(a) that the concerns of the ARC regarding the increase of R40m in the Adjustment Budget being financed from reserves and the negative impact on the financial sustainability of the Municipality be brought to the attention of Council;</p> <p>(b) that in future the Audit and Risk Committee be invited to the Budget Steering Committee meeting when the budget was being discussed before it is tabled to Council for approval.</p>	<p>Chairpersons of ARC</p> <p>Director: Finance and Corporate Services</p>		<p>To be included in report on Matters to be Escalated</p> <p>Done</p>
11.	11 May 2023	10.1 Section 52(d) Report	<p>(a) that the Acting Director: Infrastructure Development and Community Services check whether there was a risk of losing the grant from the Department of Transport if the amount remained unspent by year end, and report back to the Audit Committee;</p> <p>(b) that the Acting Director: Infrastructure Development and Community Services investigate and report back to the Audit Committee on how much of the funding for Rural Access Roads would be spent by the end of the financial year;</p> <p>(c) that to ensure completeness and usefulness of the report on project expenditure, comments must be included for all projects where there is a significant variance, and that those Departments that had submitted no comments provide the Committee with an explanation for such omission;</p> <p>(d) that the Director: Planning and Economic Development provide the Audit Committee with an explanation on what was considered to be a catalytic project and on what basis a private company qualified for support of R200 000;</p> <p>(e) that the percentage of expenditure indicated on the project expenditure report should be changed to show expenditure as a percentage of the budget;</p> <p>(f) that the Office of the Municipal Manager and Department: Infrastructure Development and Community Services, who have submitted no comment on their projects, be required to explain why there were no reasons given for the under-expenditure on the</p>	<p>Director: Infrastructure Development and Community Services</p> <p>Director: Infrastructure Development and Community Services</p> <p>All Departments</p> <p>Director: Planning and Economic Development</p> <p>All Departments</p> <p>Municipal Manager/ Director: Infrastructure Development and Community Services</p> <p>Senior Manager: Finance Senior</p>		<p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p> <p>Will be included in item for 09 November 2023 agenda.</p> <p>Done - See comments on Item 1 above</p> <p>Will be included in Section 52(b) report</p> <p>Quarterly reports on CDDA form part of SBDM's quarterly</p>

			<p>projects listed;</p> <p>(g) that the three 000s must be inserted under R on the capital expenditure schedule;</p> <p>(h) that the date on page 51 which referred to the last meeting of the Audit and Risk Committee be amended to 19 January 2023;</p> <p>(i) that Audit and Risk Committee should receive a register of irregular expenditure with explanations on why the amounts were irregular and those items that had been submitted to Council over the past quarter should be included therein;</p> <p>(j) That the dates on which Irregular expenditure was incurred be inserted in the report;</p> <p>(k) that the report on Ratios be submitted with the agendas as Excel sheets;</p> <p>(l) that it be noted that the Audit Committee has again raised its concern regarding the going concern aspect of the Municipality and that a five-year forecast should be considered to highlight the financial constraints and risks facing the Municipality;</p> <p>(m) that the updated Financial Sustainability Plan be included in each agenda for Audit Committee meetings.</p> <p>(n) that the report on expenditure on Travel and Subsistence on page 56 should specify that it was for local and international travel;</p> <p>(o) that the last quarterly reports of the Cacadu District Development Agency be submitted to the Audit and Risk Committee for review to identify what benefit the Municipality was receiving for the grant they were providing to the Agency.</p>	<p>Manager: Finance</p> <p>Director: Finance and Corporate Services</p> <p>Director: Finance and Corporate Services Director: Finance and Corporate Services</p> <p>Municipal Manager</p> <p>Director: Finance and Corporate Services</p> <p>Director: Finance and Corporate Services</p> <p>Director: Finance and Corporate Services</p>		
12.	May 2023	10.3 Supply Chain Management Report Q3 and Q4	<p>(a) that the two tables of deviations on page 72 be reconciled;</p> <p>(b) that a detailed motivation and impact assessment of Tourism related support and expenditure be submitted to the Audit and Risk Committee;</p> <p>(c) that the contract register be updated so that the information reflected therein is accurate;</p> <p>(d) that once off items, relating to the</p>	<p>Senior Manager: Finance</p>		<p>Done</p> <p>Repeat of items 2 and 7(c) above</p> <p>Done</p>

			purchase of goods only, should not be included in the contract register.			
13.	11 May 2023	10.5 Financial Sustainability Plan	<p>(a) that Provincial Treasury ascertain whether there was a potential avenue for the municipality to apply for additional conditional grants and provide feedback on this matter;</p> <p>(b) that the Financial Sustainability Model be included in the Financial Sustainability Plan before it was submitted to Council for approval;</p> <p>(c) that the error in the second sentence of the third bullet under Analysis of Financial Statements on page 103, which should read: <u>The contributor for this decrease was the increase in the unspent conditional grants received</u>, be corrected;</p> <p>(d) that last bullet point under Analysis of Results on page 104 which referred to the possible restructuring of the functions in the Department: Infrastructure Development and Community Services should be expanded upon.</p>	<p>Provincial Treasury</p> <p>Director: Finance and Corporate Services</p> <p>Municipal Manager</p>		<p>Repeat item – see status on Item 1 above</p> <p>Done</p> <p>Done</p>
14.	24 August 2023	6.2.2 Confirmation of minutes of meeting held 11 May 2023	<p>(a) that the ARC be provided with a summary report as to what motivated the support of both the Municipal Manager and Executive Mayor to visit a service provider in China who would support one single business based in Port Alfred;</p> <p>(b) that the total cost of this trip be provided together with feedback re the outcome thereof;</p> <p>(c) that the ARC be provided with an explanation or summary matrix of what categorises a project as being a Catalytic project;</p> <p>(d) that the request by the Chairperson contained in the second last paragraph on page 27 of the minutes, for an explanation on how the amount of R347 785 irregular expenditure was made up and why the amounts were irregular, be captured in the Action Sheet;</p> <p>(e) that the ARC be provided with a copy of the last report from the final review carried out by the former Audit and Risk Committee of the CDDA.</p>	<p>Director: Planning and Economic Development</p> <p>Director: Planning and Economic Development</p> <p>Director: Planning and Economic Development</p> <p>Director: Finance and Corporate Services</p> <p>Director: Finance and Corporate Services</p>		<p>Done</p> <p>Director to look at minutes to get context</p>
15.	24 August 2023	10.1 Section 52(b) Report	That the Committee be provided with responses to the following queries and	Director: Finance		

		<p>concerns raised on the section 52(d) report for the quarter ended June 2023:</p> <ul style="list-style-type: none"> • Page 37: Overview on revenue and expenditure should refer to the pages where the items giving rise to the over and under-expenditure were listed • Strategies to address over and under expenditure should be provided in the report • Page 42: Operating grants and subsidies • what grants were expected that were not received – requested the current status • Very large variance in other income – explanation required • Were the amounts due from DEDEAT and Department of Transport received or not? • Reasons to be given for non-receipt of grants • Page 45: What is the reason for the R935 000 savings on Council's expenses – are certain activities that were budgeted for not being carried out? • Page 45: What are interns on the Graduate Programme being employed for? • Page 46: Explanation required for underspending on EHS R4m, Fire Services R13m and water distribution budget • Page 47 – Revenue collection exceeds budget – give reasons • Pensioner expenditure – Why is there such a significant variance? This should have been accurately forecast • Under expenditure on asset management – is this underspend on maintenance (R2,9 m variance)? • Page 48 - Expenditure on repairs and maintenance seems very low. Is there an underspend on preventative maintenance which will ultimately lead to substantial costs being incurred by SBDM? • Was the underspend on Other Grants and Subsidies due to non-receipt of grants? • Page 50: How is the shortfall of R30m on Operating Grants and Subsidies made up and are these grants and subsidies still expected to be recovered? • Page 51 – the Department of Housing grant shows zero amount unspent and reference to this Department in the second last sentence on this page should be removed. • Page 54 – Give reasons why only 50% of the project budget was spent and what strategies were in place to improve expenditure 	and Corporate Services		
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(this concern should be raised with the Council)

- Report to be updated with comments from the relevant departments together with a strategy to get expenditure back on track.
- Page 57 – Noted that capital expenditure was 78% below budget.
- Page 61 – Confirmation to be given that the deposits of R84m due to mature at the end of August would be re-invested.
- Page 62 – Feedback requested on why the SBSA Fleet amounts since February 2023 were still indicated as outstanding on the Final Bank Reconciliation.
- Page 63 – Was it correct that the amounts were indicated as millions in the top row of the Cash Flow statement.
- Page 65 – Confirmation required that there is an Action Plan in place to pursue the long outstanding debts on a monthly basis.
- What steps have been taken to recover the erroneous payment of R50 000 to Pavatottis Barber Shop – the Committee to be provided with a detailed report on how this error occurred.
- Page 68 – The ARC to be provided with information regarding the Rand value of the 43 invoices that were paid late
- Page 78 – The Senior Officer: Legal Services to provide feedback on whether legal cases have been opened in respect of the two issues recorded in the Contingent Liability Register.
- Page 79 – The Municipal Manager to provide an explanation why an amount of R155 000 in respect of Audit Committee fees was re-allocated for catering
- Page 84 – Ratios of expenditure on items 1 and 2 in Expenditure Management report to be checked and corrected where necessary.
- Page 91/92 – ARC requested feedback on what the performance bonus of R200 000 was paid for by the CDDA
- Additional concerns raised in regard to the CDDA
- Only 3 projects were listed as being undertaken by the Agency, the ARC requested more information on the KPIs of these projects
- The majority of costs were taken up by administrative overheads such as salaries, bonuses and very little was going into

			<p>deliverables</p> <ul style="list-style-type: none"> • There is an imbalance between the cost structure and what is being performed and delivered • Questioned the need for the existence of the CDDA, its mandate and whether the projects being undertaken by the agency should instead be managed by the SBDM • Have the CDDA AFS been reviewed by the Audit Committee and Internal Audit? • Have any feasibility studies been conducted during the year? • Have any projects been transferred from SBDM to CDDA and if so, at what stage was this transfer done? • What happens to funds that have been transferred and not spent? Are they returned, rolled over and is there a formal process that is followed in this regard? • Is the Agency effectively reporting to the Council and to whom are they providing an overview of their activities? 			
16.	24 August 2023	10.3 Supply Chain Management Report – Quarter ended June 2023	<p>(a) that a cost benefit analysis be performed to establish whether the SBDM should establish an in-house IA Unit as opposed to outsourcing this service;</p> <p>(b) that feedback be provided on the following queries raised by the Committee or corrections made where indicated:</p> <ul style="list-style-type: none"> • Page 113 - Procurement of Fire Services Equipment for local municipalities: how many Jaws of Life were purchased • Page 114 – Supply and Delivery of Waste Skip Bins: High cost of R165 000 for two bins whilst the normal price of these bins did not exceed an amount of R18 000 each • Page 115 – the high cost of almost R160 000 for transport, erection and storage of an exhibition stand • Page 117-119: • Correct the statement on the second item as SLA must be No as there are -89 days remaining • Expect comment on the fourth item as it is stated that the SLA is still valid which is incorrect as the project ended on 30 June 2023, unless the SLA was renewed • Comment on the fifth item irrelevant • Queried the statement that a SLA is in place when there are -638 days remaining on the contract • Contracts in place for service providers under items 19, 24 and 	<p>Senior Manager: PMS</p> <p>Relevant Department Heads: Infra. Dev. & Comm. Services</p> <p>Infra. Dev. & Comm. Services</p> <p>Planning & Ec. Development</p> <p>(Contract Register for discussion with MM)</p>		

			<ul style="list-style-type: none"> 25 with no SLA in place Contract No 27 ending in September 2023 but no comments provided: comments to be included. 			
17.	24 August 2023	10.4 Register of Irregular, Fruitless, Wasteful and Unauthorised Expenditure	<p>that the Committee be provided feedback on the following:</p> <ul style="list-style-type: none"> Why Cr K Smith did not use the flight costing R5 171,04 matters referred to the Disciplinary Board Why it was not resolved to recover the amount of R2 564 from Cr Funiselo, when it was resolved to recover an amount from Cr Lucas Why the original amount of the invoice for professional fees had been reduced as indicated in the second last paragraph on page 146 How many volunteers had been catered for in Kirkwood on 2 June 2021 The case relating to SJW Civils that was reported to the SAPS. 	Director: Finance and Corporate Services		For discussion with Chairperson
18.	17 August 2023	9. Annual Performance Report	(c) that quarterly reports also be provided on projects not achieved on the Annual Performance Plan.	Senior Manager: PMS		
19.	17 August 2023	9. Annual Performance Report	<p>(a) that the SMME Policy adopted by Council in 2021/2022 be submitted to the ARC;</p> <p>(b) that quarterly reports be submitted to the ARC regarding catalytic Economic Development projects such as Tourism, including statistics to monitor the success of the projects for monitoring purposes, and that this be added to the Workplan as a quarterly review item;</p> <p>(c) that quarterly reports also be provided on projects not achieved on the Annual Performance Plan.</p>	<p>Senior Manager: PMS</p> <p>Senior Manager: PMS</p> <p>Senior Manager: PMS</p>		ARC to revise Workplan to include additions requested.
20.	21 June 2022 06 October 2022	12.3 Hotline reports and investigation status	That the Senior Manager: PMS liaise with Makana Municipality to obtain details and cost of the hotline service used by that Municipality.	Senior Manager: PMS	May 2023	

			that the issue of the hotline be included in the close-out report of the Municipal Manager			
21.	06 October 2022	12.4 Ethics Plan Status Report	That the Senior Manager: PMS undertake research to ascertain whether the SBDM had an Ethics Plan and provide feedback to the Committee.	Senior Manager: PMS	May 2023	
22.	19 January 2023	9. Risk Management And Compliance	<p>(a) That the following reports be submitted to the next meeting of the ARC on 11 May 2023:</p> <ul style="list-style-type: none"> • Anti-Corruption and Fraud Prevention • Fraud Prevention Plan • Ethics plan • Updated Risk Register • Status on Hotline and investigation reports • Processes to monitor compliance with laws and regulations and internal procedures • Status of the Disciplinary Board and its functionality; <p>(b) That the Municipal Manager address the non-functionality of the Disciplinary Board;</p> <p>(c) That the Risk Register be sent to the Chairperson of the ARC electronically in Excel format for circulation to members for comment prior to the next meeting of the Committee.</p>	<p>Senior Manager: PMS</p> <p>Municipal Manager</p> <p>Senior Manager: PMS</p>	11 May 2023	
23.	11 May 2023	12.1 Report on Risk Register	That the report on the Risk Register compiled by Internal Audit be circulated to members of the Audit and Risk Committee and be dealt with at the next meeting of the Committee.	Senior Manager: PMS		
24.	19 January 2023	9.2. Human Resource and Payroll Report Q1 and Q2	that a comprehensive list of all municipal policies (Policy Register), including last dates of approval and future review dates be circulated to members within the next week.	Senior Manager: Corporate Services		
25.	19 January 2023	13.1. Listing of all policies in the Municipality	that the Audit and Risk Committee be provided with a list (Policy Register) of all signed policies approved by the Council indicating the approval and review dates.	Senior Manager: Corporate Services		
26.	19 January 2023	13.3. Report on Job Evaluation	that a report on the Job Evaluation process be included in the agenda for the next meeting of the ARC.	Senior Manager: Corporate Services	11 May 2023	Done – report submitted to ARC on 11 May 2023
27.	24 August 2023	13.1 List of all Policies in the Municipality – Policy Register	<p>(a) that the last column on the Policy Register be split into two to indicate future review date as well as to provide comments on status;</p> <p>(b) that the 'as at' date on which the register was updated be indicated thereon;</p>	Senior Manager: Corporate Services		

			(c) that the Register include all policies throughout the SBDM and not only Corporate Services policies.			
28.	1 December 2023	12.1 Disaster Recovery Plan	Submit Disaster Recovery Plan to ARC once completed and adopted.	Manager: Finance		Approved by Council 26 July 2023
29.	24 August 2023	15. Matters to be Escalated	<ul style="list-style-type: none"> • IA Findings Tracker • Performance Management Reports • All reports relating to Risk Management and Compliance. 	Municipal Manager		

ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 30 JUNE 2023 - SARAH BAARTMAN DISTRICT MUNICIPALITY

OBJECTIVE

The purpose of this report is to present the Audit and Risk Committee's annual report in carrying out its oversight responsibilities for the financial year ended 30 June 2023.

TERMS OF REFERENCE

The mandate of the Audit Committee is legislated in terms of section 166 of the Municipal Finance Management Act, 2003 (MFMA) which requires the Audit Committee to advise the Accounting Officer and Council on matters relating to:

- Internal financial control and internal audits
- Risk management and Compliance
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information
- Performance management and evaluation
- Effective governance
- Compliance with the Municipal Finance Management Act 56 of 2003, the annual Division of Revenue Act and any other applicable legislation and
- Any issues referred to it by the municipality.

The Audit and Risk Committee is also required to fulfil the functions of a Performance Management Committee constituted in terms of sections 38 and 41 of the Municipal Systems Act No 32 of 2000 and Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001: Review and advise in terms of the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.

The MFMA also requires the Audit Committee to review the Annual Financial Statements, respond to Council on matters raised by the Auditor General of South Africa (AGSA) and carry out investigations into the financial affairs of the municipality.

The Audit Committee assists Council in fulfilling its oversight responsibilities in helping to ensure high-quality financial and performance management reporting as well as effective internal control.

COMPOSITION OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE

The Audit Committee comprises of four independent members. The Committee is required to meet at least four times per annum as per its approved terms of reference.

The following persons also have standing invitations to all committee meetings:

- The Executive Mayor
- Municipal Manager
- Director: Finance and Corporate Services
- Director : Planning and Economic Development
- Director : Infrastructure Development and Community Services and
- Other members of the Management team,
- Representatives from the Provincial Treasury, COGTA, external and internal Auditors.

Both the Internal and External Auditors have unrestricted access to the Audit Committee.

During the 2022/2023 financial year, the Audit and Risk Committee held meetings as set out below:

Name of members	Appointed	Total number of meetings 2022 – 2023	Number of meetings attended 2022 - 2023
Mr Gregory Billson (Chairperson from)	1 January 2020	6	6
Ms N Jeeva	1 January 2020	6	6
Prof W Plaatjes	1 June 2021 to 31 December 2022	6	4
Ms M Wait (Chairperson)	12 October 2016 to 31 December 2022	6	4
Mr D De Lange	1 January 2023	6	2
Mrs T Knoetze	1 January 2023	6	2

Dates of meeting are as follows:

17 August 2022	Annual Financial Statements review
15 September 2022	Quarter four (4) : Ordinary Audit Committee meeting
06 October 2022	Quarter one (1) : Ordinary Audit Committee meeting
01 December 2022	Auditor General Management report review
19 January 2023	Quarter two (2) : Ordinary Audit Committee meeting
11 May 2023	Quarter three (3) : Ordinary Audit Committee meeting

AUDIT COMMITTEE RESPONSIBILITIES

The Committee confirms that it has complied with its responsibilities set out in the Audit and Risk Committee Charter and details of these responsibilities are detailed below:

1. INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT

1.1 Internal Financial Control

The Audit Committee have reviewed the expertise, resources and experience of the Sarah Baartman District Municipalities finance department. The CFO is competent in respect of her expertise and experience, with the Finance Department functioning adequately and within its mandate.

Council should note that the municipality continues to utilise existing reserves to fund operations. The Audit and Risk Committee have highlighted its concerns in 4. below.

1.2 Internal Audit

The Internal Audit function is independent of management. Internal audit designed and implemented the relevant internal controls. The Audit Committee is satisfied that the Internal Audit team possess the required qualifications and are competent to carry out their role.

The Internal Audit function has continued to be carried out by an outsourced service provider. The completion of the internal audit plan remained a challenge throughout the financial year, with planned- for internal audit reports often not being presented for review at quarterly Audit and Risk Committee meetings. The delay in the review of Internal Audit reports by the Audit and Risk Committee limits the effectiveness of the Committees oversight responsibilities. Internal Audit remain the most important support to the Audit and Risk Committee in providing assurance. With reports being delayed or internal audits not being conducted, the Audit and Risk Committee are unable to ascertain what progress is being made. The Audit and Risk Committee were further advised of a number of changes to the Internal Audit plan. The Internal Audit plan is required to be approved by the Audit and Risk Committee where relevant changes were not approved in advance by the committee. In a number of instances, reports were advised to have been with management for review and final sign off. Management are encouraged to ensure that Internal Audit reports are reviewed and signed as soon as is practically possible to ensure noted findings are addressed, with recommended actions implemented to reduce noted risks materializing.

Internal Audit findings tracker

All noted findings by IA are required to be captured on a Internal Audit findings tracker for follow up and review. This tracker has not been properly maintained. Management were unable to demonstrate that Internal Audit findings have been addressed, with further testing conducted to confirm recommendations to mitigate risk have been effectively implemented.

It is critical that noted Internal Audit findings are agreed to with management, with recommended actions implemented by all relevant personnel to ensure risks are mitigated.

Audit and Risk Committee tracker

The noted observations and recommendations of the Audit and Risk Committee are captured in the quarterly meeting minutes and carried through to the Audit and Risk Committee Resolution Tracker. Management are slow to respond to addressing Audit and Risk Committee requests or do not respond / address such at all. The Audit and Risk Committee's effectiveness is limited where their oversight recommendations and requests are not actioned. The following challenges continue to be noted in respect of the Audit and Risk Committee tracker:

- The Tracker not been included in the quarterly agenda
- Matters from past meetings are not being captured timeously or at all
- Findings are not being addressed on a quarterly basis
- In many instances matters remain outstanding for more than a year.

The outsourced Internal Audit service provider's contract expired at the end of the current reporting period without a new service provider having been appointed. An effective hand over by Internal Audit to a new service provider was thus not possible. This will result in the new service provider not being in a position to follow up on specific matters known to the previous service provider increasing the risk environment and resulting in possible future inefficiencies.

The Audit Committee reviewed the Internal Audit Charter and the Audit Committee Charter. These charters were updated and approved in June 2022 and May 2022 respectively. These two charters are due to be reviewed.

2. RISK MANAGEMENT AND COMPLIANCE

A decision was taken that the Anti-corruption and Fraud Prevention Committee together with the Risk Management Committee be combined into one committee, with the Municipal Manager as Chairperson.

The Risk Management Committee are responsible for the establishment of the risk management policy, risk management framework together with the risk management strategy and the preparation of the risk register. The committee remain responsible for:

- Identification of root causes associated with the identified risks
- Identification of consequences of the risk, ensuring that they are aligned to the root cause
- Identification of actual controls currently in place that mitigates the identified risk
- An assessment of the perceived control effectiveness
- Assessment of mitigating action plans to further address the residual risk exposure and
- Review the logic of the risk register

The following remain outstanding:

- The fraud hotline
- Anti-corruption and fraud prevention policy
- Ethics plan

The majority of the regulatory findings by the Auditor General for the 2020/2021 financial year were addressed by management by October 2022.

3. ACCOUNTING POLICIES

A detailed listing of policies has been received and reviewed by the Audit and Risk Committee relating to Finance and Corporate Services.

A complete listing of all municipal policies and procedures remains outstanding.

Budget related policies are reviewed annually to take cognizance of any legislative changes, whereafter such policies are submitted to council for approval.

A detailed policy register with approval date and next review date should be in place for all municipality policies.

4. ADEQUACY, RELIABILITY AND ACCURACY OF FINANCIAL REPORTING AND INFORMATION

The Audit and Risk Committee remain exceedingly concerned as to the medium-term financial viability of the Sarah Baartman District Municipality. This matter was again highlighted during the Management Report review with the Auditor General, who noted that the AG would only highlight a concern where a going-concern risk was recognized in the year ahead. Users of the financial statements of the Sarah Baartman Municipality are therefore unaware of the real risk of the institution's financial sustainability.

The Audit and Risk Committee draw council's attention to the fact that the municipality has continued to delay the date of financial reserves being depleted through the non-delivery of capital projects. Should the municipality have executed and delivered on budgeted-for projects, existing reserves would have been utilized to a far greater extent. The 2023/2024 adjustment budget saw an additional R 40 million expenditure being approved with no additional income being identified to cover the additional budget approved.

A financial sustainability report has been drafted, though the Audit and Risk Committee note that there are no meaningful actions in place to address the immediate challenge of existing reserves being utilized to fund operational activities. Council are advised to review the present position carefully and agree on actions to be put in place to address the reality of Sarah Baartman Municipality exhausting their financial reserves in the shorter term.

The Audit and Risk Committee recommend that Council review relevant reports prepared by the Municipality Property committee, where such committee comprises of personnel from the legal division, town planning and finance. This committee has been established to investigate and ensure the effective utilization of properties owned by the Sarah Baartman Municipality. The effective utilization of such properties through maximizing the return on investment is likely to have a material impact on the financial sustainability of the Sarah Baartman Municipality.

The Audit and Risk Committee have reviewed the expertise, resources and experience of the municipality's finance department which is functioning adequately and within its mandate. The Audit and Risk Committee is satisfied with the expertise and experience of the Chief Financial Officer.

The Audit Committee reviewed and discussed the unaudited annual financial statements for the 2022/23 financial year with management. The accounting policies and disclosures made by management were also reviewed during this process. The Audit Committee recommended certain amendments before submission to the AGSA for audit purposes. The financial statements were submitted to the Auditor General within the prescribed time frame as determined by the MFMA.

5. PERFORMANCE MANAGEMENT AND EVALUATION

The Service Delivery and Budget Implementation Plan (SDBIP) report is used by the municipality as the monitoring tool to compare actual performance to targeted performance. This report is subject to Internal Audit scrutiny during their quarterly audits and is a standing item on the Audit and Risk Committee's agenda.

Performance evaluations were performed for the following S56 managers during the reporting period:

- Director : Finance and Corporate Services
- Director : Infrastructure Development and Community Services
- Director : Planning and Economic Development
Capital budget

- The Audit and Risk Committee noted in their review of the 4th Quarter 2021/2022 at the Audit and Risk Committee meeting of 6th October 2022, 93% of the Projects budget was unspent for the year.

6. EFFECTIVE GOVERNANCE

Attendance of the Audit Committee quarterly meetings by senior management is generally good. Provincial Treasury, COGTA, the Auditor General and Chairperson of MPAC should continue to be encouraged to attend the Audit Committee meetings where highlighted concerns and action items of the Audit and Risk Committee may be discussed and addressed.

Relocation of the SBDM

The Audit and Risk Committee continued to evaluate the proposed relocation of the municipality to Addo. It was agreed that the cost of the proposed relocation exceeded the financial reserves available where such relocation could not be considered until such time as the financial position of the municipality improved significantly, whereafter such relocation may be reconsidered.

A fleet Senior Clerk position has been vacant for an extended period of time, where the Audit and Risk Committee having continued to raise their concerns in this regard. Material losses have been realized as a result of this position not having been filled with poor oversight of the Municipal vehicle fleet. While reports in respect of abuse of vehicles had been received, the Audit and Risk Committee noted that there had been no noted consequence management in respect of relevant personnel.

The Audit and Risk Committee have noted significant delays in the advertising for service providers and / or key staff vacancies. Management should continue to monitor expiring contracts and vacancies closely, advertising for the filling of these key roles in good time to limit operational downtime and inefficiencies, noting specifically the appointment of a fleet manager and new Internal Audit service providers.

Job evaluation unit

Significant time was applied to updating job descriptions for all local municipalities together with auditing graded results, where auditing was carried out by a SALGA appointed auditing committee. Sarah Baartman Municipality also appointed an independent audit committee to assist with the auditing of graded results to expedite this process. Two local municipalities (Kouga and Makana) withdrew from the project. This significant project has not yet been completed due to delays in the completion of job descriptions by local municipalities.

The last six months of the financial year under review, saw significant challenges with secretariat, where the minutes of the Audit and Risk Committee meetings of 19 January 2023 and 11 May 2023 were only finalized during August 2023. It is critical that minutes of Audit and Risk Committee meetings are finalized in draft, within the prescribed time frames per the Audit and Risk Committee Charter (within 7 days of the meeting), to ensure the effective discharge of duties of the Audit and Risk Committee. It should be noted that additional resources were secured on a temporary basis by the Sarah Baartman District municipality, through the recruitment of past secretariat personnel where this function was much improved during the final quarter of the 2023 calendar year.

Active contracts register

The Audit and Risk Committee draw attention to the active contracts register being incomplete. Noted items include:

- Expired SLA's
- SLA's being noted to be in place, though on review, relevant SLA's had expired
- No start or end date to SLA's
- Register indicating SLA not in place, though register indicates contract is valid.

The active contracts register should be reviewed for completeness on a regular basis to ensure that no unauthorized, irregular expenditure is incurred.

Disciplinary committee

The Audit and Risk Committee again highlight that the Chairperson of the Audit and Risk Committee was appointed to serve on the Disciplinary committee on 2 August 2022. Management have advised the Audit and Risk Committee that there are Disciplinary matters which are required to be addressed. Although the Audit and Risk Committee have requested management to provide the relevant details of these matters at each quarterly meeting, management have not responded. The Audit and Risk Committee bring to Council's attention that matters requiring disciplinary action are not addressed by management. Where matters requiring disciplinary action are not addressed, no consequence management is possible. Further, not addressing the disciplinary action required may place the Sarah Baartman Municipality in a position of risk, financial or otherwise, with relevant personnel continuing to mismanage their responsibilities without corrective action being taken.

The Audit and Risk Committee have requested that management provide a high-level overview of key areas to be noted at the quarterly Audit and Risk Committee meetings. Only one report back was provided verbally during the year under review. This required report back should be captured in the quarterly meeting minutes which will further assist council in considering relevant key areas when reviewing the Audit and Risk Committee quarterly minutes.

With the Audit and Risk Committee meetings being scheduled a year in advance, it is essential that management attend these meetings, ensuring that key matters raised by the Audit and Risk Committee are actioned. With key management members missing a single meeting, the effect is that the Audit and Risk Committee concerns are not considered for action for at least six months, often placing the municipality at risk of fraud or administrative inefficiencies. Inaction further results in the Audit and Risk Committee having to revisit relevant matters for follow-up on an on-going basis.

Infrastructure Development and Community services

Reporting on project expenditure remains insufficient. Many budgeted-for projects had either not started or have significant under expenditure and are not supported by any explanations. The non-delivery on budgeted-for projects results in material under delivery of municipal services.

APPRECIATION

On behalf of the Audit Committee, I would like to extend our sincere appreciation to the Council, Management and the Auditor-General South Africa for their assistance and support during the financial year under review.



G Billson
Audit Committee Chairperson

22 January 2024

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (contracts entered into during 2022/2023)					
Name of service provider	Description of services rendered	Start date of contract	Expiry date of Contract	Project Manager	Contract Value R
Meondo Holdings (Pty) Ltd	Provision of Cleaning, Sanitation and Hygiene Services for Sarah Baartman District Municipality	1 September 2022	31 August 2024	Snr HR Officer	R 1 193 857.87
The Standard Bank of South Africa	Provision of Maintenance and Fuel Cards and Tracking Services	1 September 2022	31 August 2025	Chief Asset Clerk	Dependent on usage – Limited to budget availability
Mobile Telephone Network (Pty) Ltd	Provision and Support of Internet Services with Sip-Trunk Capability with Mobile PBX, Mobile Data Services, Office 365, and Firewall Management (Internet Services & Firewall management & Mobile Data Services)	1 September 2022	31 August 2025	IT System Administrator	Dependent on usage – Limited to budget availability
Business Connexion (Pty) Ltd	Provision and Support of Internet Services with Sip-Trunk Capability with Mobile PBX, Mobile Data Services, Office 365, and Firewall Management (Office 365)	1 September 2022	31 August 2025	IT System Administrator	Dependent on usage – Limited to budget availability
Business Connexion (Pty) Ltd	Supply, Delivery, Installation, Configuration, Maintenance and Commissioning of Local Area Network Power Over Ethernet Switches	16 January 2023	15 January 2026	IT System Administrator	R 619 250.24
Brian Singh Consulting CC	Auditing of Job Evaluation Committee Outcomes for the District Grading Committee for the Municipalities within the SBDM	11 October 2022	10 October 2024	Job Evaluation Co-Ordinator	Dependent on usage – Limited to budget availability
Aon South Africa	Management of	1 January	31 December	Accountant:	Dependent on

(Pty) Ltd	Short-Term Insurance	2023	2025	FAD	usage – Limited to budget availability
Tunimart Travel	Appointment of a Service Provider to Provide Travel Agency Services for SBDM	1 January 2023	31 December 2025	PA: Director Finance & Corporate Services	Dependent on usage – Limited to budget availability
Lilitha Project Managers	Consulting Engineering Services for the Upgrading of Van Behrens Street (Ring Road) in Riebeeck East, Makana LM	9 January 2023	9 July 2024		R 3 273 899.18
5th Dimension 360 Solutions (Pty) Ltd	Creation of a 360 Degree, Interactive Virtual Travel Platform (IVTP) for SBDM	1 March 2023	28 February 2025	Snr Manager: Tourism	R 1 194 700

Public Private Partnerships entered into during 2022/2023 – Nil

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The District Municipality makes an annual contribution to its Development Agency and that will continue for at least another 5 years as resolved by the Council. The amount is determined by Council during its Budget processes annually.

Local Municipalities that perform agency functions on behalf of the Municipality also receive an annual allocation from the District Municipality to perform those functions. Refer to 3.19 above.

The District Municipality also contributes financially towards local municipalities in respect of fire services as the local municipalities are appointed as agents to perform certain functions in terms of section 84(1)(j) of the Municipal Structures Act. The municipality continued utilizing the funding model for fire contributions which has been in the prior year. This model aims to address the related variables within each municipal area with the fire risk factor being fairly weighted, thus ensuring that the contributions to the local municipalities are equitably distributed.

The District Municipality has not provided any loans or grants to outside organisations.

The Executive Mayor may assist needy organisations by donating certain requirements, for example, for impoverished schools and sporting bodies



ANNUAL PERFORMANCE REPORT

Period of reporting
1 July 2022 – 30 June 2023

Contents

Page

1. Introduction

The Annual Performance Report is an important instrument for the Board of Directors and other oversight bodies because they provide an indication of whether the agency is doing well, looking at every aspect of the company versus each division.

This performance report is a text-based report that also include charts, tables, and statistics to offer a visual balance. It acts as a comparison of how the agency's results and performances are against the targets set.

The aim of reporting is to continuously assess goals and results, to readjust or change course so that performance outcomes improve, and which then leads to better audit outcomes. Reporting on projects and programmes is important to capture results and implementation progress. It is also an important accountability tool.

The sections below outline the progress, engagements, and achievements of projects against set targets and are presented in the following formats:

- Project Matrix – provides a narrative and shortened description of project progress.
- Stakeholder Engagement / Management – provides a chronological account of all engagements the team had with both internal and external stakeholders.
- Performance of targets against the SDBIP.
- Performance Report as narrative, statistics, and charts.
- Broad summary of performance with recommendations.

2. Project Matrix

No	Project Name	Budget	Start Date	End Date	Active / Completed	Status Quo from APP
1.	Agreements with Govt Sector	Nil	1 July 2022	30 June 2023	Active	<p>Meetings with Koukamma LM and Kouga LM MMs to discuss possible collaboration on projects. Advised both of intention to engage Development Bank of Southern Africa (DBSA0 for funding for bulk service studies. Engaged the Department of Forestry, Fisheries and Environment (DFFE) for the Agency to become an implementer of their projects in the SBDM area – awaiting further guidance. Engaged National Treasury on potential projects for SBDM – awaiting further guidance.</p> <p>Meeting with ECRDA ON 07 Nov – need to introduce CDA to service provider for Mohair Training. In addition, provided an SMME database of Cannabis / Hemp permit holders in SBDM area.</p> <p>Engagements with Makana Municipality on Facilities Management Agreement and MISF – because of new MM meeting and subsequent agreements delayed.</p> <p>Engagement with Ndlambe Municipality for 24 Nov postponed due to MM non-availability and now impact on finalisation of the proposed Abattoir land and thus the Beef project.</p> <p>Engagement with BCRM assisted CDA to clean Aerodrome in preparation for inspection by the CAA on 24 Nov.</p> <p>January - Meeting with Beyers Naude LM, Mayor Safers on 17 January 2023. Agreement reached that the SLA between CDA and BNLM be reviewed and forwarded for final review</p>

					<p>and signage. CDA send reviewed SLA and awaits invitation to final signage.</p> <p>February - SLA signed with Beyers Naude Local Municipality on 22 February 2023. Water By-Law finalised for BNLM that needs to be adopted by Special Council in March 2023. Request to Kouga LM Municipal Manager for re-engaging on the SLA between Kouga and CDA had no response. BCRM agreed to assist CDA with their SCM Committees for the 3 RFPs for the 3 projects implemented by CDA. General agreement with Sunday River Valley Municipality to explore potential sand mining in Paterson and present same to Council for adoption.</p> <p>March – Assisted BNLM with merging of the Water By-Law and Sanitation By-law which should be taken to their Council in March for formal adoption.</p> <p>Introducing SunFarming to the BNLM Mayor so that potential Solar and Agro processing could be explored in the municipality.</p> <p>April – Introducing SunFarming to the BNLM Mayor so that potential Solar and Agro processing could be explored in the municipality.</p> <p>ECDC engagements that allowed for the submission of potential projects for funding by ECDC or other DFIs:</p> <ol style="list-style-type: none"> 1. Business Plan and Feasibility Assessment for Sand mining or a Glass Factory – R450 000 2. Heritage Assessment upgrade / refurbishment – R5 million plus 3. Koukamma Dam – R1 million 4. Boschberg Tourism Hub - R5 million plus
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						<p>CDA requested to participate in the Technical Steering Committee of the Dept of Water and Sanitation (DWS). Attended the Stakeholder Meeting on historically planned Water supply Schemes from the Orange River Project for Karoo and Coastal towns, In Graaf Reinet.</p> <p>Engagement with Ndlambe Local Municipality on a potential fish farm in the Kap River Nature Reserve.</p> <p>Progress of the BNLM Water and Sanitation Bylaw – the Exco meeting gave permission to proceed with:</p> <ol style="list-style-type: none"> 1. Notice to be advertise in the newspaper. 2. Comments on the by-laws 3. Workshop with Council 4. Adoption of by-laws 5. Gazetting of by-laws <p>Follow up with DEDEAT on the CDA application for funding to fence off the Somerset East Aerodrome. The importance was highlighted due to the latest challenge of the fence being illegally removed and a subsequent case opened with SAPS, and which poses a challenge in the next SACAA Annual Licensing inspection process for CDA to retain the licence.</p> <p>May – Attended the BNLM IDP outreach to Nieu Bethesda on 3 May after the Council approved the IFC / CDA sponsored Water and Sanitation By-Law.</p> <p>Meeting with the MM of Makana LM to discuss future presentation to Council and resultant projects for CDA.</p> <p>Attended the BNLM Virtual Infrastructure Committee Meeting on 17 May where a CDA presentations was made with various requests for projects to Council.</p>
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																									<p>Finalisation of IFC letter by the Director Infrastructure of BNLM.</p> <p>Attendance to ECDC PIC Public Sector Workstream where CDA made various suggestions on matters impacting on investment in the SBDM area.</p> <p>Engagements with Ndlambe LM on potential Fish Farm on the Fish / Kap River.</p> <p>ECDC launch of the Karoo Satellite Office where CDA CEO was requested to speak on behalf of the SBDM Executive Mayor.</p> <p>Assisted ECDC with the review of the following sub fund draft guidelines and the criteria for their architecture:</p> <ul style="list-style-type: none"> ▪ Automotive Supplier Development and Support Fund ▪ EC Film Industry Development Fund ▪ Climate Change and Adaptation Fund ▪ Industrialisation, Job Creation and Economic Enablers Fund ▪ Tourism Sector Support and Development Fund <p>Engagement between CDA and DTIC on potential funding for various catalytic projects.</p> <p>Meeting with Sundays River Valley Municipal Manager on potential projects with SBDM.</p> <p>June – The following items were discussed with ECDC:</p> <p>Projects that may find expression in a pipeline includes:</p> <ol style="list-style-type: none"> 1. A Potential Unregulated Sand Mine in Paterson (Sundays River Local Municipality) – CDA requested
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						<p>ECDC to assist in a formalising a Business Plan and Feasibility Study (est. cost of R400k to R600k). For more substantial investment the plan is to either establish a regulated sand mine or a glass manufacturing facility which may provide direct jobs and benefit to the local community and some revenue to the Local Municipality.</p> <ol style="list-style-type: none"> 2. District Heritage Project – CDA will soon appoint a consultant to commence with studies on potential “unknown or hidden” heritage assets in all 7 LMs in the district that has the potential of increasing the tourism potential of the district. Once this study is concluded it is assumed that enough projects will be identified and that may need some for of upgrading. CDA is estimating that such infrastructure and related upgrading may cost around R 20 million and will assist in the job creation mandate of the agency. 3. Koukamma Dam – The Kouga and Churchill Dams are filled up from the catchment areas in the southern part of the Beyers Naude LM and Koukamma LM. The latter currently not having a sustainable source of water for its own residents, request CDA to investigate possibilities of constructing a new dam. Approximately R1 mill will be required for a technical study, and which may indicate the capital outlay for constructing a new dam. Should such a project be feasible, the economic outlook for the LM may increase beyond the current activities of deciduous fruits in the Langkloof and Tourism offering in the Tsitsikamma. 4. Somerset East Tourism Hub – The tourism hub was completed and handed to the Blue Crane Route LM in
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						<p>2015. Inefficiencies in the operations has resulted in the facility being neglected and degenerated into a vandalised structure. CDA has been requested to refurbish and revitalise this facility. The service provider that has been appointed to do a full infrastructure and civil assessment will start work by end June 2023 and will provide a report by September 2023. Conservative estimated are indicative of a R20 mill refurbishment process.</p> <p>5. Three Generators for Beyers Naude LM – BNLM requested CDA to assist in procuring 3 generators at their boreholes to ensure filling up of the Reservoirs to ensure a more constant flow of water. This is currently impacted on by the ESKOM Loadshedding challenges in the towns of Graaf Reinet, Jansenville and Steytlerville. It is estimated that such generators are costing approximately R2 mill each. This is a quick win and an easy achievable project.</p> <p>Follow up engagements with BNLM on the Water and Sanitation By-Law and various other matters presented at the Infrastructure Standing Committee the previous month.</p> <p>In collaboration with DEDEAT endorsed the Development of the Somerset East IP Masterplan.</p> <p>Communication with the MM of Makana LM on the matters below:</p> <ol style="list-style-type: none"> 1. CDAs formal request to make a presentation to the first Council sitting in the new FY. 2. Arrange a meeting with the new Director LED & Planning, Ms Eddie as per agreement in our meeting.
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						<p>3. Communication re: the Makana Airport – and this is linked to the Facilities Management Report that has not been concluded between Makana and CDA.</p> <p>Engagement with MEC Mvoko and HOD, Ms Mama (DEDEAT) on the application for R12 mill to fence the SE Aerodrome.</p> <p>Finalised MOU between ECDC and CDA on cooperation on projects of mutual interest.</p> <p>Submission of a Proposal to ECDC on District-wide Youth Dialogues.</p>
2.	Non-Public Sector Agreements	Nil	1 July 2022	30 June 2023	Active	<p>Engagements with IFC for the PPD in Koukamma LM. Engaged and signed MOU with Black Umbrellas for potential project – Separate Agreement to be signed once projects identified. Engaged UK Export Finance (UKEF) on potential funding assistance.</p> <p>International Hydropower Association (IHA) – engagement on 7 Nov resulted in the project being stalled as the condition for assessment is that a developer be busy with infrastructure implementation which is not the case.</p> <p>Engagement with Black Umbrellas led to MOU being signed and a potential for a Cannabis project being explored with a potential investor (Palladium Capital).</p> <p>IFC APRE programme – due to the lack of capacity by Koukamma CDA agreed to take over the function of coordinating the Dialogue process.</p> <p>January - No agreements but interest from Koleko Engineering and Planning, a Johannesburg based company that showed interest to work with CDA where and if possible.</p>

						<p>They agreed to take part in the IFC-APRE discussions on matters of water use, and sustainability.</p> <p>February - Meetings with Tsitsikamma Water and Sarah Baartman Manufacturing and Digital Hub did not result in any agreement signed but cooperation where possible could be explored.</p> <p>March – Supporting Sarah Baartman Digital Hub with their request to lease the Station Building in Humansdorp from Transnet to establish a Digital Hub and Coding Lab.</p> <p>April – Finalising Draft Amendatory Letter and Contractual Conditions between the IFC and CDA in relation to the changes of the APRE PPD process. This will now be part of the SBDM District Growth and Development Summit.</p> <p>May – Engagement with Engeli, Kouga Digital Hub and Tsitsikamma Youth Development on potential training in Koukamma i.e., Learnerships, work placement, project collaboration</p> <p>June – Request for assistance from CTC Properties with sale of Agricultural land in the SRVM area.</p> <p>Enquiry for Cacadu Development Agency to assist Kellygirl Skills with Youth and SMEs funding or business support.</p>
3.	New project feasibility and initiation	50 000	1 July 2022	30 June 2023	Active	<p>A meeting with BCRM staff ensued to allow for broad discussions on the project and to get building plans and related information as a basis to stakeholder engagement.</p> <p>BCRM provided an assessment report of the Boschberg facility. A service provider was appointed and CDA is awaiting</p>

						<p>the SLA for review and to establish reasons for the facility not to have been managed and allowed to dilapidate.</p> <p>January - The Heritage Tourism project and Boschberg project will be advertised by end of February as part of new initiatives.</p> <p>February - Boshberg Tourism Hub – RFP finalised and to be advertised by mid-March 2023.</p> <p>Heritage Assessment - RFP finalised and to be advertised by mid- March 2023. Specifications committee sat on the 09th of February 2023, inputs from the spec were put and recommendations were asfollows: the spec should be put in a tender advert format and be clear on how the bids will be evaluated.</p> <p>A meeting was scheduled with Lundi from Kouga municipality SCMon the 13th of February 2023 for advice and inputs on Heritage assessment RFP to make it clear to the bidders and pricing schedule as well as simplifying the evaluation criteria.</p> <p>March – the Boschberg Tourism Hub and potential Sand mining / Glass manufacturing will be formalised. Due to delays in evaluationof the BSC process the Heritage Assessment will only be advertised, in April.</p>
4.	Development of a concept exploring the feasibility of Hydropower electricity generation in the district	150 000 (Swiss Francs – 22 390 = R420 932)	1 July 2022	30 June 2023	Active	<p>Engaged IHA on the potential hydro-power project for SE – more information needed before project assessment and tranche payments can ensue. Requested information from CEN Consultants that did the EIA for the project – they advised that the developer contact the CDA.</p> <p>A prerequisite for this program to continue is that a developer be in progress with infrastructure implementation. Based on</p>

						EIA that was completed leads were established of both the Consultant and the potential developer. Both telephonic and email communication could not lead to successful tracking and thus engagement with the developer to map out a clear process going forward.
5.	Implementation of a water security methodology in the district	250 000	1 July 2022	30 June 2023	Active	<p>Assisted in planning process for the PPD in Koukamma LM. Delays experienced from Koukamma LM to provide a list of stakeholders to be invited to the PPD. Further assisted to get a speaker from the locality that work in the space of sustainability. Engagement with MM to intervene so that the information be provided to finalise PPD.</p> <p>CDA's role as coordinator have resulted in the following actions that are in implementation:</p> <ol style="list-style-type: none"> 1. CDA will henceforth fulfil the coordination role for PPD / Workshop. 2. The 'event' may still be blended – venue to be determined by CDA. 3. CDA will send out a letter to all LMs and various stakeholders including NMU, Rhodes University, Woodlands Dairy, Gamtoos Irrigation Board, Kouga Catchment Management Forum, Sundays River Irrigation Board, and various others identified by LMs and other stakeholders – Letters to go out by Friday 9 December 2022 with reminders by 6 January 2023. 4. Forum update set for Friday, 20 January 2023. <p>January - On agreement with IFC and SBDM the PPD will now form part of the District Investment Conference under the theme dealing with Water and Infrastructure. An assessment of the IFC – APRE programme is scheduled for February with the World Bank and CDA.</p> <p>February - IFC / APRE agreed that we incorporate the PPDs into the district Investment Summit to be held in April 2023 as</p>

						<p>the reach will be broader in terms of the water sustainability impact.</p> <p>March - IFC Feedback on the APRE program and discussions of a potential Phase 2 in South Africa and hopefully in SBDM with more tangible outcomes.</p> <p>April – Draft Amendatory Letter signed. IFC solicited on behalf of BNLM / Graaff-Reinet assistance with water reticulation and infrastructure with AHK, the German-Southern Africa Chamber and a German technology provide.</p> <p>Engagement with BNLM to finalise:</p> <ol style="list-style-type: none"> 1. IFC letter (x3) to be signed for me to collect to confirm assistance. 2. Status Quo Report be provided before the current IFC contract ends for additional engagements (the outcome from previous engagements with funders required very detailed studies which is not available). <p>The Water By-Law promulgation (approx. R40 / page) needs BNLM to invoice CDA with a Process Report.</p> <p>May – Letter for IFC completed and signed by BNLM. IFC to confirm (or not) physical attendance of the District Development Summit. Engagements ensued on the latter and potential funding assistance for BNLM water related projects.</p> <p>June – Update on the progress with the IFC / APRE program, in particular the Water and Sanitation By-Law and Summit presentation.</p>
6.	Development of export modality for	250 000	1 July 2022	30 June 2023	Closed	Two meetings with Ndlambe officials, SBDM director, external consultant and CDA management to share the external study.

	the China frozen beef project					A decision was made to cancel CDA project and budget until notice.
7.	Business development facilitation program (BDF)	Nil	1 July 2022	30 June 2023	Active	<p>One virtual business matching event hold on 27th Oct, 9 Chinese companies and 9 SBDM local companies participate the events. One of the local companies received formal letter of intent from Chinese company, further engagement expects to reach material agreement and partnership.</p> <p>One commercial agreement concluded between SA and CN company, Special E-commerce with bonded warehouse pilot is on the process, the first batch of SA goods registered into bounded warehouse in December.</p> <p>January - Facilitated pilot sales through e-commerce and a bonded warehouse model for SA and Chinese business. Products from this process are available online in January and expected to conclude sales in February.</p> <p>February - Following on the business matching event held on 27th Oct 2022, support to one IT business partnership were achieved. Completed pilot sales through e-commerce with bonded warehouse model in February 2023, the pilot sales confirm the feasibility and value. The companies involved are African cures and SKJIE.</p> <p>March – Support the BASI (an IT firm in Port Alfred) to secure support and concluding an agreement with a Chinese company with which we expected a visit in April.</p> <p>April – Agreement between BASI IT and CNT is concluded. One MOU signed with SBDM to commit and support hub space in China with office. It is also confirming the sales of e-commerce model in China.</p>

						<p>May – Continuing support of local SMME known as BASI IT Solution, facilitate SBDM economic summit exhibition and water management pilot project is the two focuses for the month. Zhejiang CloudNeedle Information Technology is applying for a visa and ticket to attend SBDM summit, due to the postponement of summit, the date and program may change according to the final program. The Ndlambe officials is working with BASI to scoping the potential pilot project, a site meeting and visit are expected during SBDM summit to verify the details.</p> <p>June - Continuing support of local SMME known as BASI IT Solution, facilitate SBDM economic summit exhibition and water management pilot project is the two focuses for the month. New invitation letters and support provided to Zhejiang CloudNeedle Information Technology to attend the summit. Report and proposal were submitted for consideration.</p>
8.	Broad-based Jincheng partnership	Nil	1 July 2022	30 June 2023	Active	<p>With the cancellation of the China trip, a contingency plan had to be made and includes getting partners in China to assist in place of SBDM officials, the onsite construction of the exhibition booth, assistance with cargo clearance. An interview with the Chinese media, CCTV with will allow SBDM for marketing of the district and products that will enable creation of partnerships.</p> <p>Expo 2022 is completed, 11 companies (5 LMs) showcase the products, 3 products reached pilot sales during the Expo. Follow up with products owners will carry out between January and February.</p> <p>Three Municipalities were virtually engaged, which include Jincheng, Linping and Yuhang.</p> <p>January - Preparation for potential SBDM summit including</p>

						<p>Chinese entities has started, which is expected to happen in April 2023. Initial invitations were sent to primary partners in Yuhang district municipality who has indicated interest of attending. 3 Site visit and de-briefing to CIIE local business conducted during January, all of them indicate the interest of attending the Expo in 2023.</p> <p>February - Preparation for potential SBDM summit with Chinese entities, which is expected in April 2023. Communication from Yuhang district municipality has indicated their interest to attend, waiting for more details from SBDM LED for further engagement.</p> <p>4 Site visit and de-briefing to CIIE local business conducted by thisFebruary, all of them indicate an interest of attending the Expo in 2023. The companies include One33, Catering in-food, Escargots EC and Tobe Original.</p> <p>March - The concept for the SB District Summit was received on 17th March, with potential date being 24-26th April (subsequently moved to June). The initial timeframe may be too short for Chineseentities to apply for necessary approval to attend. The invitation willbe extended to various companies during the April mission to China. Two follow-up meetings were held with one CIIE products owner, from Koukamma.</p> <p>April – One trip to China is facilitated with 15 entities engaged with SBDM. Over 5 entities indicate interest to participate in the SBDM summit and waiting for the final program confirmation before invitation to the Chinese entities.</p> <p>May – Prepare for the SBDM summit and China International Import Expo 2023. 2 municipalities and 6 companies indicate</p>
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						<p>interest to attend SBDM summit in June, however, due to the change of date, coordination will carry out as soon as final date and program is confirmed. The China International Import Expo 2023 registration contract was signed by SBDM and waiting for supporting document to complete the registration and payment to continue the program.</p> <p>June - Prepare for the Jincheng delegation to participate National Art Festival, however, the delegation was postponed due to the VISA with South African Embassy in Beijing. Alternative arrangement will be prepared according to actual visa date.</p> <p>Prepare for the SBDM summit and China International Import Expo 2023. Both summit and CIIE payment was delayed which potentially only happen in July. Report and proposal were submitted for consideration</p>
9.	Implementation of the Somerset East Mixed-use Industrial and Retail Park	150 000	1 July 2022	30 June 2023	Active	<p>Finalisation and Approval of the Industrial Development Policy and Strategy is still in progress and therefore not yet ready for approval by CDA Board.</p> <p>Incentives policy draft document has been circulated to the relevant stake holders for inputs. Currently is waiting for board approval.</p> <p>January - The request for an amount of R573 014.28 to pay the contractors retention fees was approved. The proposed investment incentive policy was approved by the CDA board in January 2023. The Draft of the RFP has been completed and circulated to the relevant stakeholders for inputs and hoping that advertisement will be out by end February.</p> <p>February - First tranche of the retention fees was paid to the main contractor an amount of R325 548.55 in February 2023 (Inc. Vat). The balance of R325 548.55 will be paid in June</p>

						<p>2023 because electrical scope of works and fencing would reach one year guarantee period then.</p> <p>March – The Specification Committee (BCRM and CDA staff) finalised the specifications for Operationalization of Somerset East Mixed-use Industrial and Retail Park. Advertisement will be placed nationally for prospective developers / investors to submit proposals for investing in the precinct.</p> <p>April – The RFP was advertised in the newspaper and on the CDA website on Sunday the 9th of April 2023. A site clarification meeting was scheduled for the 20th of April 2023, however there were no attendees.</p> <p>May – On the 24th of May, the overhead (electrical reticulation) line was tested as the Contract Maintenance was expiring on the 25 May 2023. It was found that there is a default in the line and the rectification of the line was then scheduled for June 08, 2023. The RFP (advertised bid was closed on the 26 May 2023. There was no response from prospective investors/ developers. No proposals were received.</p> <p>June - Specification committee for Operationalization of Somerset East Mixed-use Industrial Park sat and concluded the spec for a prospective developer/ investor to submit proposal for investing in the park.</p>
10.	Operationalization of the Somerset East Aerodrome	150 000	1 July 2022	30 June 2023	Active	<p>South African Civil Aviation Authority communicated that the licence renewal of the aerodrome should be conducted on the 24th of November 2022. The emphasis will be on the civil and electrical infrastructure. Currently the painting of taxi way and runway is the key for the inspection.</p> <p>This visit pushed the maintenance from 3rd quarter to the second quarter. The RFQ for painting of both taxiway and runway is being prepared. Measurement of all lines and paint</p>

					<p>specification has been completed and will be presented to the Specifications Committee.</p> <p>BCRM confirmed their assistance with vegetation management and removal of foreign objects in preparation for the inspection. The lease agreement between BCRDA/ CDA and Progress Academy is not yet resolved as a meeting request has not been responded to. The proposed meeting and the outcomes will determine a way forward.</p> <p>Process of marking taxi and runway started on 2nd November by drafting of RFQ specification. The spec was then advertised on 9 November 2022, site briefing session was held on the 14th of November 2022 and closed on the 15th of November 2022.</p> <p>Service provider was appointed on the 21st of November 2022.</p> <p>SAACA visited the aerodrome for the licence renewal inspection on the 24th of November 2022, (currently waiting for the outcomes of the inspection from SAACA.</p> <p>SLA that was signed between CDA and Progress academy of 9 years and 354 days was then terminated by both parties</p> <p>January - The appointed service provider for project 01/2022-2023 Marking Taxi and Runway of the Somerset East Aerodrome, expressed inability to finish the project due to the cost and other resources to complete the work. This was not approved by the CDA, and an alternative process needs to be started to complete the work.</p> <p>Draft RFQ for the service provider for development and utilization of aerodrome has been circulated to relevant stakeholders for inputs.</p>
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						<p>The one-year operating license, following the inspection in November 2022, was issued by the CAA in January</p> <p>An additional amount of R380 000.00 was approved during the mid-year budget adjustment for any maintenance that may be required.</p> <p>February - The appointed service provider for project 01/2022- 2023t Marking taxi and runway of the Somerset East Aerodrome, expressed in ability to finish the project due to the costs incurred and ask the additional funds to complete the work in January 2023.CDA agreed that to release the appointed contractor (NBK GeneralTrading) from the project due to in ability to add the required amountby the contractor as it was more than 100% from the initial quoted amount and paid the amount of work that had been done.</p> <p>Installation and fixing of lights were previously done by Tellumat (Hensoldt). It was discovered that there are also capable companiesto do the job of fixing and maintaining light system, therefore it wasagreed to draft RFP/RFI and let the companies compete on the bid.</p> <p>March - The Specification Committee (BCRM and CDA staff) finalised the specifications for Operationalization and Expansion of Somerset East Aerodrome. Advertisement will be placed nationallyfor prospective developers / investors to submit proposals for investing in the precinct.</p> <p>April – Following from the previous process and failure of the service provider to deliver on the project, on the 3rd of April 2023 the BEC met and recommended that the quote should be awarded to Mulaz Trading Enterprise at the amount of</p>
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						<p>R68 809.10 following a new RFO process for Road Marking Taxi and Runway at the Somerset East Aerodrome. Mulaz Trading Enterprise was appointed on the 11th of April 2023 at the said amount. The service provider completed the Road Marking Taxi and Runway on the 26th of April 2023. The CDA inspected the site and works and were satisfied with the quality of the work provided and recommended payment to the contractor.</p> <p>The RFP was advertised in newspapers and on the CDA website on Sunday the 9th of April 2023. A site clarification meeting was scheduled for the 20th of April 2023, however there were no attendees.</p> <p>The Bid, Supply, Delivery, and installation of lights at the Somerset Aerodrome was advertised on newspapers and on the CDA website on the 11th of April 2023. The Bids were delivered on the 28th of April 2023.</p> <p>May – The RFP advertised bid was closed on the 26 May 2023. There was no response from prospective investors/ developers. No proposals were received.</p> <p>The evaluation committee evaluated bid no1 2022-2023 on the 25th of May 2023 for supply delivery and installation of airport lights. The evaluation report was sent to the adjudication committee.</p> <p>June - Specification committee for Operationalization of Somerset East aerodrome sat and concluded the spec for a prospective developer/ investor to submit proposal for investing in the aerodrome.</p>
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11.	Sarah Baartman District Heritage sites Assessment	500 000	27 Jan 2023	30 June 2023	Active	<p>April – The Spec Committee concluded the specifications on the 21st of April 2023. The Bid was advertised in the newspaper and on the CDA website on the 28th of April 2023</p> <p>May – The bid closed on the 19th of May 2023, two companies responded, and the evaluation report was sent to adjudication committee and are awaiting finalisation.</p> <p>June - First specification meeting sat, the advice from external members were seek and provided to guide the process on pricing schedule for a spec that meets all the audit standards.</p>
12.	Full Assessment of Boschberg Tourism Hub	200 000	27 Jan 2023	30 June 2023	Active	<p>April – A site clarification meeting was held on the 13th of April 2023 at the Boschberg Tourism Hub. Quotations were submitted on the 28th of April 2023.</p> <p>May – There was one company responded to the quote. The evaluation committee evaluated the quote, and the report would be finalised and submitted to the CEO.</p> <p>June - Specification committee for Assessment of Boschberg Tourism Hub sat and concluded the spec for RFQ.</p>

3. Stakeholder Engagement / Management

Strategic Objective	Stakeholder Group	Name of organization	Primary Interest	Engagement Mechanism	Date of Engagement	Level of Influence	Output / Comment
Strategic Partnership Development	External	IFC / APRE	Water security in the SBDM district with focus on Koukamma LM	On-line meeting	6 th - 7 th September	High	Task Team meetings that will build up to a Public [private Dialogue in October
Strategic Partnership Development	External	DEDEAT	EC Provincial Agro-processing Forum.	PE Garden Court Hotel.	6 th - 7 th September	High	Sharing the agro-processing projects that are happening in each district and share the best possible ways of carrying out the projects.
Strategic Partnership Development	External	EC-COGTA	Provincial Management Retreat	EL-ICC: workshop	12 th -13 th September	Medium	To seek best ways to address the myriad of challenges facing the EC province
Project Scoping, Packaging, and Investment Mobilization	External	LED Office – Makana Local Municipality	Discussions on Facilities Management Agreement to be finalized with CDA	Meeting in Grahamstown / Makhanda	14 th September	High	To finalize a suite of projects for the CDA to assist with financial self-sufficiency in future
Project Scoping, Packaging, and Investment Mobilization	External	ECDC	Eastern Cape Export Symposium 2022	Physical meeting	14 th -15 th September	Mid	Gain insight of EC export development and General investment environment
Project Scoping, Packaging, and Investment Mobilization	External	Foreign affairs of Yuhang district and Linping district	Municipal partnership and business matching	On-line meeting	16 th September	High	Discuss and form the basis to manage the municipal business matching event
Strategic Partnership Development	External	NMB Trade and Investment Forum	Sharing of information towards a regional	On-line meeting	21 st September	Low	The meeting is geared towards investment promotion and

			project book for investors				trade with emphasis on the regional economy
Project Scoping, Packaging, and Investment Mobilization	External	Kouga municipality	LED Forum Q1	Physical meeting	23 rd September	Low	Update the progress of CIIE and engage with Local companies
Project Scoping, Packaging, and Investment Mobilization	External	ICBC	General trade condition between SA and China	Virtual webinar	23 rd September	Low	Update insight of trade condition between Chinese province and SA
Project Scoping, Packaging, and Investment Mobilization	External	EC Industrial Development Forum	Reporting on progress at all provincial industrial parks	Meeting at SA 1Stop in East London	28 th September	High	A presentation was shared indicating how the SE proposed Industrial Park and Aerodrome which to collaborate with the private sector for development purposes; concept got good support
Project finalization	Internal	Ikhono Techni and BVI Engineers	Site inspection after 1 year guarantee period to release retention fees of the contractor.	Somerset East	28 th September	High	There were two minor defects that were identified, 2 meters curbing and 1 road signage. That resulted in not signing off the completion certificate. It was then agreed that the certificate of completion will be signed after fixing the two.
Strategic Partnership Development	Internal	IFC / APRE	Water security and methodology for high water users in Koukamma LM	On-line Teams meeting	29 th September	Medium	Public-Private Dialogues with various stakeholders on water use matters.

Strategic Partnership Development	External	SA Tourism	Dialogue focusing on challenges experienced in the industry and mitigation of same	Dialogue at Garden Court – Port Elizabeth	30 th September	High	Participants shared the frustration of various sector departments not assisting with physical infrastructure towards the tourism establishments; also lack of coherent marketing strategy for the EC
Strategic Partnership Development	External	SBDM and SEDA, Department of Small Business, NYDA, ECDC and DEDEAT	Launch of the District SMME Support Coordinating Committee	Physical Event at Africanos, Addo (Sundays River LM)	4 th October	Medium	Ensuring the coordination of SMME / LED activities throughout the district and support to the various sectors.
Strategic Partnership Development	External	Black Umbrellas	To establish a partnership and sign a MOU to allow for funded projects of mutual benefit in the district.	Meeting at CDA Offices	10 th October	High	The potential exists for CDA to facilitate fully funded projects through investors identified by BU. A MOU has subsequently been signed and a Separate Agreement for potential projects will be signed.
Strategic Partnership Development	External	SBDM, Barui Drie Hoek and Dr Ruth Mompoti District Municipality.	Follow up meeting regarding the MOU relating to the relationship between SBDM, Barui Drie Hoek and Dr Ruth Mompoti District Municipality.	Virtual	10 th October	Low	Working committee to lead the process of drafting the MOU was established.
Strategic Partnership Development	Internal	Ikhono Techni	Explanation of failure to pay the retention fees to the main contractor.	CDA Offices	13 th October	High	Retention fees for bulk service infrastructure project in Somerset East will be released in the agreed two tranches in the Quarter 3 and 4

							respectively, following our internal Budget Adjustment process in January 2023.
Strategic Partnership Development	External	International Hydropower Association	Re-establish communication on this project that got stuck in 2019. The aim to get the agreement back on track for assessment of potential hydropower in Blue Crane	Virtual meeting	14 th October	Medium	Funding has been committed for the project and it is in the best interest to have the Separate Agreement expedited as it may provide an alternative energy source to the BCRM
Project Scoping, Packaging, and Investment Mobilization	External	Department of Trade Industry and Competition	Exploring potential funding for CDA	Meeting at CDA Offices	17 th October	Medium	CDA need a variety of funding sources and the DTIC not clear on the type of funding to access
Project Scoping, Packaging, and Investment Mobilization	External	DEDEAT	Agro-EC forum follow up meeting	Online meeting	19 th October	Low	Review the conclusion and stakeholder consultation, incubator concept was included in provincial plan
Strategic Partnership Development	External	DEDEAT	Agro-EC forum follow up meeting	Virtual	19 th October	Low	Concluding the draft of provincial agro-processing document. incubator concept also formed part of the document.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Revitalizing Boschberg Tourism Hub	Telephonic	19 th October	High	Revenues office of BCRM will assist in getting the building plans, together with the previous RFQ that was done for the Hub, so that stakeholder may have all the information

							required to be able to make the quotations.
Strategic Partnership Development	Internal	SBDM	Premiere of the movie: 'Wild is the wind' that shot in Graaf Reinet	Physical Event in Graaf Reinet	21 st October	Low	The engagement allowed for interaction between the actors and directors of the movie. However, on the side engagements allowed CDA to discuss matters related to projects with MEC, Mr Mvoko, the Mayor of DRBN, Mr Safers and SBDM EM, Mr de Vos.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Revitalizing Boschberg Tourism Hub	Telephonic	21 st October	High	Revenues office of BCRM will assist in getting the building plans, together with the previous RFQ that was done for the Hub, so that stakeholder may have all the information required to be able to make the quotations.
Project Scoping, Packaging, and Investment Mobilization	External	Koukamma LM and Kouga LM	Meetings with MMs to introduce the CEO and engage them on potential projects for the future	Physical meetings in Kareedouw and Jeffreys Bay	25 th October	High	Koukamma LM has an outgoing MM who advised that although an SLA with specific projects were signed before, it would be prudent to engage the incoming MM for reviewing this. The MM of Kouga indicated that they have a vision for the municipality going forward and that the need for an agency is not yet at the stage for project sharing.

Project Scoping, Packaging, and Investment Mobilization	External	ECDC	Meeting together with SBDM	Physical meeting	27 th October	Medium	Reviewal of the existing MOU between SBDM and ECDC and incorporating CDA into same as implementing agent for various potential project
Project Scoping, Packaging, and Investment Mobilization	External	Yuhang District and businesses	Business matching for local business	Virtual conference	27 th October	High	Introduce the municipality and businesses to each other and pave the way forward
Project Scoping, Packaging, and Investment Mobilization	External	CCTV	CIIE 2022 and China – South Africa partnership	Virtual Interview	28 th October	High	Interview Mayor and MM to market the district
Strategic Partnership Development	External	Various Private Sector actors hosted by SBDM	Keynote address at the Business Dinner of the PGA for more CSI funding towards district	Physical Event at Chokka Block Restaurant, St Francis Bay	4 th November	Medium	Seeking commitment to enhance CSI spending in district to assist the SBDM, LMs and mostly distressed communities
Strategic Partnership Development	Internal	IFC and LMs	To establish progress with PPD planning by Koukamma LM	Virtual meeting	8 th November	High	CDA to ensure project de-risked by given responsibility to lead and ensure a PPD that involves various stakeholders be implemented by May 2023.
Project Scoping, Packaging, and Investment Mobilization	External	KJ, Jincheng, Yuhang, Linping, Orinet international, others	Export and partnership	Informal virtual	5 th -10 th November	Medium	Engage with potential buyers and strategic partners regarding the showcase products
Strategic Partnership Development	External	EC-COGTA, UFH and various Development Agencies	Signing of MOU that will allow UFH to conduct a 3-yr study on agency effectiveness	DEDEAT - Palm Square, East London	10 th November	Medium	MOU was signed and the roles of agencies and parent municipalities central to the success of the study. This is welcomed as new methods for agency operations needs to be

							researched, documented, and recommended for changes.
Project Scoping, Packaging, and Investment Mobilization	Internal	SBDM Councilors and Management	Presentation to Councilors on the future of CDA	Settlers Monument, Makhanda	11 th November	High	<p>Key concerns raised by councilors include:</p> <ul style="list-style-type: none"> - Beef project has been on the books of SBDM for the last 10 years and no actual or real benefit from the programme - return of investment through CDA should enhance the sustainability of SBDM - CDA to investigate illegal sand mining (building sand) (Nceba) in Paterson (Sundays River) - a potential exists for a Glass Factory - abattoir rollout a challenge and need fast intervention - SE Airport upgrades important to prevent losing the license and needs to be operationalized.
Project Scoping, Packaging, and Investment Mobilization	Internal	Internal Auditors (Nexia SAB&T)	Review Internal Audit Plan	Physical meeting	14 th November	High	Review of Internal Audit Plan and Budget that has been delayed due to various ineffective in oversight and planning in CDA and IA.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Revival of Boschberg tourism hub.	Physical	14 th November	High	There is a need to look for the SLA signed between BCRM and the lessee that was operating in the hub.

							Identification of relevant stake holders.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Operationalization of Aerodrome	Physical	14 th November	High	Site briefing session for the RFQ to paint taxi and runway of aerodrome, 17 companies attended the session. Met with acting MM and agreed to deploy a team to clean up the aerodrome in preparation for the licence renewal inspection that will take place on 24 November 2022.
Strategic Partnership Development	External	Eastern Cape Provincial Investment Conference	Announcing new EC investors and potential investments for LMs - approximately R46,5 billion	Physical conference at EL ICC	16 th November	Medium	Engaged various investors for SBDM and partnerships for CDA: Sanaha Property Development / SUNFarming Solar E / Al Mawashi Halaal Abattoir
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT	SMME support	Virtual meeting	19 th November	Medium	Understand the competency, interest, and willingness of Local SMME
Project Scoping, Packaging, and Investment Mobilization	External	Cloud needle, foreign affairs	Incentive	Physical meeting	21 st November	High	Discuss the potential and direction, test the possibility, exchange the information, and concluded a way forward
Project Scoping, Packaging, and Investment Mobilization	Internal	Progress Flight Academy	Review and possible termination of the SLA for the Somerset East Aerodrome	Physical meeting with Mr and Mrs English	22 nd November	High	Discussed the current status quo of the SLA, delays in repairing the fence, upcoming CAA inspections and legalities of the SLA. It was in principle

							agreed that the SLA should be cancelled for a new process to start.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Licence renewal inspection.	Physical	23 rd November	High	This was to prepare for the inspection that would take place in the following day, by ensuring that the aerodrome is ready for the inspection (grass cutting around lights and removal of cow dung in both taxi and runway). Also control animals to graze outside of the aerodrome.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	License renewal inspection.	Physical	24 th November	High	SAACA arrived and did the inspection.
Project Scoping, Packaging, and Investment Mobilization	Internal	Sundays River Valley Municipality	Assessment of sand mine in Paterson	Physical	29 th November	High	The sand mine is an open field that belongs to SRVM with no control measures. This results in illegal mining of sand. The assessment stage is complete, and the recommendations will follow.
Project Scoping, Packaging, and Investment Mobilization	External	NSG, CAI, UCASS	China and Africa economic cooperation	Virtual	1 st -14 th December	Medium	Update the BRI based policy and framework
Project Scoping, Packaging, and Investment Mobilization	Internal	CDA	Strategy	Physical	5 th December	Medium	Company strategy review

Project Scoping, Packaging, and Investment Mobilization	Internal	CDA	Agency high level Risk assessment	Physical	6 th December	Medium	Organization level risk review
Project Scoping, Packaging, and Investment Mobilization	External	DEDEAT	Agro industrial forum	Online meeting	9 th December	Low	Update and feedback
Project Scoping, Packaging, and Investment Mobilization	External	Kouga LED and Companies	SMME support committee launch	Online meeting	12 th December	Low	Update the and feedback.
Project Scoping, Packaging, and Investment Mobilization	External	NDLAMBE	Beef Project	Online meeting	14 th December	Low	Share basic information and book for next meeting
Project Scoping, Packaging, and Investment Mobilization	External	NDLAMBE	Beef Project	Online meeting	20 th December	Medium	The CDA beef project closed for 2022/23.
Project Governance and Initiation	External	BNLM Mayor, Mr Willem Safers	Concluding of the SLA between CDA and BNLM and discussing potential project ideas.	Physical Meeting in Graaf-Reinet	17 th January	High	Agreed that the SLA needs to be finalised bar the clauses that are impacting on finalising it. The clause has been removed and now awaiting MM to invite CEO for concluding SLA. BNLM Mayor also wanted to discuss potential projects around Solar and Water.

Project Scoping, Packaging, and Investment Mobilization	External	IFC – APRE Program	Determine the Status of the PPD engagements and determine a way forward	Online meeting	18 th January	High	Agreement between IFC and CDA that PPD be part of the SBDM Investment Conference in April. Each will actively seek participants to present and are well versed with, water issues in the district.
Project Scoping, Packaging, and Investment Mobilization	External	CNT	Business matching and facilitation	Online meeting	19 th January	Medium	Confirm the Strategic plan to support BASI IT
Project Scoping, Packaging, and Investment Mobilization	External	SBDM	Alicedale textile factory site visit	Site visit	20 th January	Low	Site visit to evaluate the potential for carpet manufacturing investment. SBDM LED will lead investigation for potential of site development.
Project Initiation	External	Koleka Engineering and Planning	Potential assistance for CDA projects	Online meeting	23 rd January	Low	Exploratory meeting around planning and engineering consultancy services to CDA. It was advised that all our services are tender based.
Project Governance and Initiation	Internal	Executive Mayor, Deon De Vos	CDA mandate and progress	Physical meeting	24 th January	High	Discussions on the vision of the Agency, what is feasible and what is needed to function better. For the EM to address this at the various platforms so that CDA can get the necessary support.

Project Governance and Initiation	Internal	SBDM Council	Approval of CDA Reports	Physical meeting	25 th January	High	Council approved the Adjustment Budget, Mid- Term Report, Adjusted APP, and Draft 23/24 Budget.
Project Scoping, Packaging, and Investment Mobilization	External	NBK Trading	Site inspection at the Somerset East Aerodrome	Physical meeting	26 th January	High	Inspecting the work done on the Aerodrome. A report that will support the claimed amount of R21 275.00 must be provided to CDA.
Project Scoping, Packaging, and Investment Mobilization	External	BCRM	Introducing CDA and BCRM projects status to newly appointed Municipal Manager, Mr Nini.	Physical meeting	26 th January	High	MM ensured CDA that, municipality will work, hand in hand with the agency to achieve all the projects in partnership. Also seconded a liaison personnel to work directly with CDA.
Project Scoping, Packaging, and Investment Mobilization	External	SBDM, SEDA, ECDC, CDA and LMs	District SMME Coordinating Committee	Physical Meeting	27 th January (Addo Wildlife)	High	Various presentations and discussions on how to activate the DSCC and get them to support partners but mostly SMMEs and communities.
Project Scoping, Packaging, and Investment Mobilization	External	Infod-Roastery	Expo feedback and business evaluation for local business	Site visit	27 th January	Medium	Profile the company, debriefing the outcome of export and share the idea of way forward.
Project Scoping, Packaging, and Investment Mobilization	External	Be original	Expo feedback and business evaluation for local business	Site visit	27 th January	Medium	Profile the company, debriefing the outcome of export and share the idea of way forward.

Project Scoping, Packaging, and Investment Mobilization	External	One 33	Expo feedback and business evaluation for local business	Site visit	27 th January	Medium	Profile the company, debriefing the outcome of export and share the idea of way forward.
Partnership and Mobilization	External	Tsitsikamma Water – Witelsbos (Koukamma)	Collaboration on IFC / APRE PPD	Physical Meeting	1 st February	Low	Tsitsikamma Water only use ground water in their operations and does not make use of municipal water at all. They thus advised that they would not be able to participate, and add value to the PPD process.
Partnership and Mobilization	External	Sarah Baartman Manufacturing and Digital Hub – Humansdorp (Kouga)	Collaboration to secure a building for operations on a SEDA funded programme with potential of a training partnership with CDA.	Physical Meeting	1 st February	Low	Various email engagements lead to the meeting where various options for a building was explored. Since CDA does not own any property, we offered to assist and support if such is identified by the stakeholder
Project Scoping, Packaging, and Investment Mobilization	External	ESCARGOTS EC	Expo feedback and business evaluation for local business	Site visit	3 rd February	Medium	Profile the company, debrief the export outcome, and share the way forward idea.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Presentation of three projects that CDA is currently doing in BCRM, status and timeframes.	Physical meeting	13 th February	High	MM made a commitment to support CDA and assist with SCM committees.
Project Scoping, Packaging, and	Internal	SRVM	Meeting with SRVM LED	Physical meeting	13 th February	Medium	CDA will be invited in the next council meeting to do a

Investment Mobilization			officials				presentation on the possible way forward to carry out the sand mining possible project.
Project Scoping, Packaging, and Investment Mobilization	External	BASI	SMME support for partnership and strategic session	Online meeting	14 th February	Medium	Assist to form a clear strategy and key milestone for the new initiation.
Project Scoping, Packaging, and Investment Mobilization	External	UWC / UCT	Theme for the Sarah Baartman Center of Remembrance	Physical meeting	20 th February	Medium	Providing input to theme of the SBCR and requested to provide further input and information as the Master Plan unfolds.
Project Scoping, Packaging, and Investment Mobilization	External	BNLM Municipal Manager, Dr Rankwana – Graaf Reinett	Signing of the Economic Cooperation Agreement (SLA)	Physical meeting	22 nd February	High	After a delay for nearly 10 years an SLA has been signed that paves the way for CDA and BNLM to cooperate on projects.
Project Scoping, Packaging, and Investment Mobilization	External	Rohlig-Grindrod	Export and Logistic optimization	Physical meeting	23 rd February	Low	Share the information and insight into international logistics for agriculture products.
Project Scoping, Packaging, and Investment Mobilization	External	SRVM – Kirkwood	Attending SMME workshop	Physical meeting	24 th February	Low	The aim of the meeting was to address critical SMME issues and for the CDA to indicate their intention in getting involved in the potential sand mining project in Paterson.
Project Scoping, Packaging, and Investment Mobilization	External	Agro-Processing Forum	Agro-processing development	Online meeting	28 th February	Low	Update the provincial progress.

Project Scoping, Packaging, and Investment Mobilization	External	DEDEAT	Provincial Agro-processing Forum.	Physical meeting	28 th February	Low	CDA has no agro- processing project from all 7 LMs after the beef incubation project has, been put on hold.
Marketing and Tourism Investment	Internal	SBDM	Participated in marketing activities to showcase district as a tourism destination	Physical activities	3 rd March	Medium	Experiencing and exploring activities in and around St Francis Bay, Jeffreys Bay and Oyster Bay and advertising this on social media as part of mass communication and marketing.
Project Scoping, Packaging, and Investment Mobilization	External	BNLM	Introducing to the Mayor of Beyers Naude Local Municipality the idea proposed by SunFarming related to Solar Energy and Agro processing	Physical meeting	7 th March	High	SunFarming proposed Solar and Agro processing projects for BNLM and CDA as the facilitating agent may benefit from such a relationship in line with its Investment and Incentives Policy.
Project Scoping, Packaging, and Investment Mobilization	External	CDA / BCRM	Specification for RFP.	Physical meeting	9 th March	High	First draft of the specification of operationalization of Somerset East mixed-use industrial park. First draft of the specification for operationalization of Somerset East Aerodrome.
Project Scoping, Packaging, and Investment Mobilization	External	IHPL	Export to China	Virtual	9 th March	Medium	Update CIIE 2022 with advice from stakeholder and shareholder
Project Scoping, Packaging, and Investment Mobilization	External	Sarah Baartman Digital Hub	Assistance to secure a building in Kouga	Physical meeting	10 th March	Medium	To ensure a tertiary institution is established to serve the Kouga and Koukamma areas

Investment Mobilization			area forestablishing adigital hub				for unemployed youth with an interest in the digital space and expanding to TVET.
Investment Mobilization	External	Local Government African Continental FreeTrade	Continental peer learning, knowledge exchange and creation of trade opportunities	Online meeting	15 th March	Low	The creation of more integrated economic development on the continent was explored. This is best exhibited in the InterAfrican Trade Fair in November in Ivory Coast. SALGA request LMs to be represented there.
Project Scopingand Packaging	External	Blue Crane Route Local Municipality	Institutional Planning Session / Strategic Workshop	Physical meeting	16 th and 17 th March	High	CDA had to present to Councilors and Management the various projects, status, and future. Support from both were provided and the mayor pledged to support where needed.
Project Scoping, Packaging, and Investment Mobilization	External	Beyers NaudeLocal Municipality	Finalization of the Water and Sanitation By- Law	Physical meeting	16 th March	High	As part of the IFC / APRE program and agreement it is required that this project be completed before the conclusion of the agreement between IFC and CDA in June 2023.
Project Scoping, Packaging, and Investment Mobilization	External	Ndlambe	Abattoir	Physical	16 th March	Medium	Meeting and update on the abattoir study for Ndlambe and confirmation of the projectfeasibility.
Project Scoping, Packaging, and Investment	External	ECDC	Export awareness seminar	Physical	17 th March	Low	Update and discussions on Export support for the province and municipalities.

Mobilization							
Project Scoping, Packaging, and Investment Mobilization	External	KJ	Supportfor SBDM / CDA	Online meeting	21 st March	High	Principal agreement of support inn place whichpaves the way for a trip toChina for getting support.
Project Scoping, Packaging, and Investment Mobilization	External	World Bank / IFC	Feedback evaluation of the current IFC/APRE phase	Online meeting	22 nd March	High	Program Evaluation is standard by the World Bank to assess the impact of its programs. CDA participated to ensure that a possible phase 2 are rolled out in the district.
Project Scoping, Packaging, and Investment Mobilization	External	Koukamma Local Municipality	Presentation to Council on thework of the CDA	Physical meeting	23 rd March	High	CDA was invited by Koukamma LM Mayor to advise the Council on its work. A request from the Council was to assist with a Dam Construction project that is in the pipeline since 2012. CDAis awaiting communication and will accordingly respond.
Project Scoping, Packaging, and Investment Mobilization	External	CNT	Businessmatching	Online meeting	23 rd March	Medium	Arrangement discussionfor the mission to China inApril.
Project Scoping, Packaging, and Investment Mobilization	External	CDA / BCRM	Specification for RFPs and RFQs.	Physical meeting	23 rd March	High	Second draft of the specification for operationalization of Somerset East mixed-use industrial park. Second draft of the specification for

							operationalization of Somerset East Aerodrome. First draft of RFQ for Boschberg tourism hub.
Investment Mobilization	External	Transnet Properties and Sarah Baartman Digital Hub	Meeting to secure SBDH a Transnet Building in Humansdorp	Physical meeting	24 th March	High	CDA is assisting SBDH as such a facility is needed within the Kouga area. Potential marketing collateral could be extracted from this process.
Project Scoping, Packaging, and Investment Mobilization.	External	IHPL	Export to China	Physical	27 th March	Medium	Follow-up meeting and advice on the way forward
Project Scoping, Packaging, and Investment Mobilization	External	CDA / BCRM	Two RFPs (SE industrial park and SE aerodrome) Two RFQs (Supply, delivery and installation of SE aerodrome lights and full assessment of Boschberg tourism Hub)	Virtual	28 th March	High	Finalization of RFP for operationalization of SE mixed-use industrial park, aerodrome, full assessment of Boschberg tourism hub and First draft of supply delivery and installation of lights in SE aerodrome.
Investment Mobilization	External	ECDC Public Entity Collaboration	Coordination of Agencies to work toward common goals set in the PGDS	Physical meeting	30 th March	High	The aim of the meeting was to establish a forum for CEOs of all entities in the province to collaborate to ensure more coordinated economic growth and development.

Project Scoping, Packaging, and Investment Mobilization	External	Else BarnardMohair Carpets manufacturer	LED support	Physical meeting	30 th March	Low	Briefing of the local business opportunity that exist for expansion into Alicedale.
Project Governance	External	BCRM	IGR / IDP Session with stakeholders and sector departments	Physical meeting	31 st March	High	CDA was invited to present its various projects based on the signed agreement withBCRM to the stakeholders. It was well, received and support for same was committed.
Project Initiation	External	ECDC	Potential project funding from ECDC and other DFIs	Physical Meeting – ECDC Office in PE	11 th April	High	Meeting with ECDC on their invitation to present current CDA projects for potential funding.
Project Scoping, Packaging, and Investment Mobilization	External	ECDC	Eastern Cape Investor Networking Session	Virtual Meeting	12 th April	Low	ECDC facilitated a session with Embassies and other Private Investors. The aim was for participating government entities and institutions and / or Embassies to find an investment match.
Project Scoping, Packaging, and Investment Mobilization	External	Prospective service providers.	Appointment of service provider to do a full assessment, evaluation, and costing of the Boschberg Tourism Hub.	Physical meeting	13 th April	High	15 Companies attended the session at the Boschberg Tourism Hub.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT	SMME support for partnership and strategic session	Online meeting	18 th April	Medium	Follow up meeting to discuss the partnership.

Project Governance and Initiation	External	Dept of Water and Sanitation Stakeholder / Strategy Steering Committee meeting	Support on the Development, Updating and Review of Strategies to Reconcile Water Availability and Requirements in the Southern Planning Area (Sarah Baartman)	Physical Meeting at Profcon in Graaf-Reinet	19 th April	High	Assessment of Planned Regional Water Supply Schemes from the Orange River Project for Karoo and Coastal Towns. This will guide water availability and utilisation in the district and assist in municipal planning.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT	SMME support for partnership and strategic session	Online meeting	19 th to 20 th April	Medium	Follow up and facilitation with Ndlambe as a pilot project.
Project Scoping, Packaging, and Investment Mobilization	External	Prospective Investors/Developers.	Appointment of a developer/investor to operationalize the Somerset East Aerodrome and Mixed-Use Industrial Park.	Physical meeting	20 th April	High	The site briefing session was scheduled however no developers or investors attended.
Project Scoping, Packaging, and Investment Mobilization	External	Mulaz Trading Enterprise.	Monitoring the Marking Taxi and Runway of the Somerset East Aerodrome.	Physical meeting	20 th April	High	The service provider had completed 2 out of the 5 Tasks.
Project Scoping, Packaging, and Investment Mobilization	Internal	CDA/SBDM	The Specification of the Full Assessment, Mapping, and Information Packing of Heritage Assets with Tourism Potential in the	Physical meeting	21 st April	High	The specification committee met and concluded the specification document.

			Sarah Baartman District and Costing for Infrastructure Upgrade Requirements.				
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT	SMME support for partnership and strategic session	Online meeting	25 th April	Medium	Orientation and consultation
Outreach	External	Youth 'Puff and Pass' (Indaba) on Freedom Day at the Somerset East Community Hall (Youth Centre)	CDA participated to advise youth on responsible freedom	Physical meeting	27 th April	High	CDA was a part funder to the event and provided information on how and what they do. More importantly was to inspire the youth into positive future actions.
Project Scoping, Packaging, and Investment Mobilization	External	Mulaz Trading Enterprise	Inspection of the completed work.	Physical meeting	28 th April	High	All 5 Tasks of Marking Taxi and Runway of the Somerset East Aerodrome were completed by the service provider.
Project Scoping, Packaging, and Investment Mobilization	External	Independent Honeybush Producers Langkloof	Export facilitation	Online meeting	2 nd May	Low	Follow up meeting to verify the marketing information.
Project Scoping, Packaging, and Investment Mobilization	External	Eastern Cape Provincial Agro-processing Development Forum	Sector development	Online meeting	2 nd May	Low	Update of progress, there is no project/program from CDA.
Project Initiation, Packaging, and Investment Mobilization	External	Beyers Naude LM	Council Meeting and IDP Outreach to Nieu Bethesda	Physical Meeting in Graaf Reinet	3 rd May	High	CDA needed the Water and Sanitation By-Law approved by Council

Project Scoping, Packaging, and Investment Mobilization	External	Ndlambe municipality	SMME support for partnership and strategic session	Physical meeting	5 th May	Medium	Follow up and clarity for way forward, introduce to the directors to working with BASI regarding the potential water management pilot project.
Project Scoping, Packaging, and Investment Mobilization	External	Makana LM	Meeting with the MM to discuss the relations between the municipality and CDA and presentation to Council	Physical Meeting in Makhandha	10 th May	High	Discussions on potential projects for CDA
Project Scoping, Packaging, and Investment Mobilization	External	Engeli, Sarah Baartman Digital Hub and Tsitsikamma Youth Development	Collaboration on youth development and training programmes	Physical Meeting at Engeli, Port Elizabeth	12 th May	Medium	Meeting facilitated by CDA to get various role players (private sector) to explore opportunities of mutual interest for the Koukamma area.
Investment Mobilization	External	ECDC Provincial Investment Council	CDA participated to advise on investment opportunities and challenges in the SBDM area	Physical meeting in ELICC	15 th May	High	CDA needs projects from various sector departments as a special purpose vehicle. Challenges of getting such investments and projects were shared at this platform.
Project Scoping, Packaging, and Investment Mobilization	External	Makana LM	Potential Fish Farming project with private sector	Physical meeting in Port Alfred	16 th May	Medium	CDA was approached by a private developer to have access to the Fish / Kap River to establish a Fish Farm. CDA facilitated a meeting with Makana LM officials to discuss and get guidance on the process to be followed.

Project Scoping, Packaging, and Investment Mobilization	External	BNLM Infrastructure Standing Committee	CDA presented to the committee some projects of interest and to make recommendations to Council	Virtual meeting	17 th May	High	CDA made a presentation to the Standing Committee on request from the mayor. Various project request was made for recommendation to the Council.
Investment Outreach	External	ECDC Karoo Office launch	CDA attended the launch of the mobile office as a partner of ECDC	Physical meeting in Graaf Reinet	18 th May	Medium	The aim attendance was to support ECDC, but also to show an interest in partnerships with local projects.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions and Zhejiang CloudNeedle Information Technology	SMME support	Online meeting	19 th May	Medium	Facilitation and support, discuss the preparation of SBDM summit and planning clarification.
Project Scoping, Packaging, and Investment Mobilization	External	SBDM	Planning	Online meeting	22 nd May	Low	IDP consultation, observe the general plan.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions and Ndlambe municipality	SMME support	Online meeting	23 rd May	Low	Follow up and clarification, short list the potential equipment to be bring to SA.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions and Zhejiang CloudNeedle Information Technology	SMME support	Online meeting	24 th April	Low	Facilitation and support, verify the visa application and flight questions.

Project Scoping, Packaging, and Investment Mobilization	External	SBDM	Appointment of service provider to do a full assessment, mapping, and information packaging of heritage assets. With tourism potential in the Sarah Baartman district and costing for infrastructure upgrade requirements.	Physical	24 th May	High	Evaluation Report was prepared to be sent to adjudication committee.
Project Scoping, Packaging, and Investment Mobilization	External	BCRM	Appointment of service provider to supply deliver and install taxi and runway lights in Somerset East aerodrome.	Virtual Meeting	25 th May	High	Evaluation report was completed and sent to adjudication committee.
Project Scoping, Packaging, and Investment Mobilization	External	BCRM	Appointment of service provider to do a full assessment, evaluation, and costing of the Boschberg Tourism Hub.	Virtual Meeting	25 th May	High	Recommendation report to be sent to the CEO.
Project Scoping, Packaging, and Investment Mobilization	External	DTIC	DTIC and CDA had discussions on various interventions needed in the	Physical meeting at CDA / SBDM	25 th May	High	DTIC is interested in ensuring more funding and projects reach the SBDM area. CDA seen as instrumental in potential roll-out. DTIC will

			district to enhance investments				explore opportunities for projects and funding.
Project Scoping, Packaging, and Investment Mobilization	External	ECDC	SMME support and Export Facilitation	Physical meeting	26 th May	Medium	Presentation of Business development facilitation program and share information.
Project Scoping, Packaging, and Investment Mobilization	External	Sundays River Valley LM	Meeting between CDA and SRVM	Physical meeting at CDA / SBDM	26 th May	High	Discussion with the MM and SMME Coordinator on the potential Sand Mining / Glass Manufacturing facility. Also, for SRVM based on the SLA to advise on other projects or assistance needed.
Investment Mobilization	External	DEDEAT	Meeting between DEDEAT and CDA	Physical meeting at CDA / SBDM	31 st May	High	DEDEAT engaged CDA to find and discuss potential projects for investment. Most importantly to understand from the Provincial Investment Committee perspective the challenges experienced in attracting investment to the SBDM area.
Project Scoping, Packaging, and Investment Mobilization	External	Ndlambe municipality	Council meeting	Physical meeting	31 st May	High	Provide information about China trip and potential opportunities.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions and Zhejiang CloudNeedle Information Technology	SMME support	Online meeting	2 nd June	Medium	Facilitation and support, discuss the preparation of SBDM summit and potential pilot project scope and options

Project Scoping, Packaging, and Investment Mobilization	Internal	CDA	Specification for RFPs SE aerodrome and mixed-use industrial park.	Physical meeting	5 th June	High	Draft specification for operationalization of Somerset East mixed-use industrial/retail park and expansion. Draft specification for operationalization and expansion of Somerset East Aerodrome.
Project Initiation, Packaging, and Investment Mobilization	External	Makana Flying Club (Mr Darren Olivier)	Makhanda Airport	Physical Meeting at CDA Office	8 th June	Medium	CDA requested to engage the Makana LM so that a meeting on way forward for the Makanda Airport could be secured as private sector is willing to provide guidance.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions and Zhejiang CloudNeedle Information Technology	SMME support	Online meeting	12 th June	Medium	Facilitation and support, discuss the preparation of SBDM summit and potential pilot project scope and options.
Project Scoping, Packaging, and Investment Mobilization	External	China Chamber of Commerce, South Africa-China Economic and trade association, Invest SA	China-South Africa New energy investment and cooperation	Physical meeting	13 th June	Medium	Policy and opportunity sharing, networking with the stakeholders
Project Scoping, Packaging, and Investment Mobilization	External	Bester Technology SA	Renewable energy and telecommunication investment	Physical	13 th June	Medium	First engagement to understand the interest of future investment

Project Scoping, Packaging, and Investment Mobilization	External	ECDC and Provincial Dept of COGTA	Public Investment Committee deliberations	Physical Meeting at ELICC	13 th June	High	Discussions centred on investment matters in the province. Importantly was to find out what these projects are and what is some matters that are preventing growth.
Project Scoping, Packaging, and Investment Mobilization	External	National art festival committee, SBDM	Jincheng partnership	Online meeting	14 th June	High	Preparation and clarity for the Jincheng group to attend NAF, a lot of detail is confirmed.
Project Scoping, Packaging, and Investment Mobilization	External	Department of Water and Sanitation	Engagement on various water and sanitation issues in the SBDM and NMBM	Online meeting	14 th June	Medium	Various presentations from stakeholders advising on the water availability status and issues relating to it.
Project Scoping, Packaging, and Investment Mobilization	External	DTIC, ECDC	Export workshop	Physical	23 rd June	Medium	Update the latest export and AfCFTA policy and development.
Project Scoping, Packaging, and Investment Mobilization	External	Herald and Sunday Times.	Advertising RFPs 01/2022-2023 and 02/2022-2023.	Physical	23 rd and 25 th June	High	RFPs were advertised.
Project Scoping, Packaging, and Investment Mobilization	External	CDA/DEDEAT/ECDC	Industrial Park Forum	Physical meeting	29 th June	Medium	Way forward with EC industrial parks.
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions and	SMME support	Online meeting	29 th June	Medium	Clarify the requirement for air drone usage during summit.

Investment Mobilization		South African civil aviation authority					
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions	SMME support	Online meeting	29 th June	Medium	Summit preparation clarification and guidance
Project Scoping, Packaging, and Investment Mobilization	External	BASI IT Solutions and Caelum Technology	SMME support	Online meeting	30 th June	Low	Explore cooperation opportunity, understand requirement.
Project Scoping, Packaging, and Investment Mobilization	External	CDA/DEDEAT/ECDC	Agro-processing forum	Physical meeting	30 th June	Medium	EC future of agro-processing industry.

4. PERFORMANCE AGAINST SDBIP

Performance against APP / scorecard

(Matrix of projects' status / Challenges and proposed solutions / Lessons and innovations)

Outcome 1: Strategic Partnership Development

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Agreements finalised with 7 Local Municipalities		Q1 Initiating discussions with LMs to identify potential projects for implementation by CDA	Achieved	Engagements with Kouga LM on water security; engagements with Makana LM on a Facilities Management Agreement; meeting with MM of BCRM on 3 projects in Somerset East; meeting with	Need to engage other LMs to ensure the CDA is profiled as a preferred implementer for catalytic projects at local level

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
	4 Agreements for the development of projects in 4 LMs			MM SBDM on various matters of mutual interest.	
		Q2 Meeting with Municipal Staff to initiate discussions towards and Agreements for projects.	Achieved	Meetings with the MMs for Koukamma and Kouga LMs on 25 October. Meeting with Ndlambe LM on 24 November re: Beef project and again on 14 and 20 December Meeting with SBDM and other LMs on DDM on 25 November and 13 December	Despite various attempts to meet with all MMs in the district, most did not respond to the call as their contracts were expiring. Therefore, no firm commitments could be realised. The CEO requested both Board and SBDM Council and the Mayoral Forum intervention to get agreements in place for CDA to be implementing projects on behalf of LMs. New appointments will be made to reach out to MMs in early 2023.
		Q3 Draft agreements in place at municipalities	Achieved	SLA signed with Beyers Naude Local Municipality on 22 February 2023. Water By-Law finalised.	Water By-Law for BNLM that needs to be adopted by Special Council in March 2023.
		Q4 Final Agreements approved by Councils of municipalities	Achieved	The Water and Sanitation By-Law has been approved by the BNLM. Various other approvals by ECDC on request for proposals.	Water and Sanitation By-Law was approved by BNLM Council MOU concluded with ECDC for joint economic development initiatives.
Cooperation agreements in place with non-public sector organisations for delivery of mutually beneficial projects in any of the 7 LMs		Q1 Initiating discussions with Organisations to identify potential projects for joint implementation	Achieved	Engagements with Sustainable Seas Trust on potential collaboration; engagement with Black Umbrellas to restart program of collaboration as set out in MOU; engagement with DBSA for potential project partnerships; restarted the engagement with International	The next steps would be to ensure that these collaborations result in actual projects.

Quarterly Targets						
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure	
	4 Agreements on projects with non-public sector organisations			Hydropower Association (IHA) for the Somerset East assessment.		
		Q2	Discussions and workshops to develop project ideas	Achieved	CDA had various engagements to consolidate existing ideas and establish potential new ones that can result in projects of a mutually beneficial nature with: Black Umbrellas, IHA, DTIC, IFC, ECDC, DBSA and the IPP Forum (Mayoral Forum)	Continuous follow-up will be needed in 2023 to ensure discussions are taken to a project identification level with those organisations that see the value in partnering with CDA. It should be indicated that at current CDA does not have land or other property that is central to development of agreements and mutually beneficial transactions.
		Q3	Draft agreements in place for implementation	Achieved	Interest from Koleko Engineering and Planning, a Johannesburg based company that showed interest in working with CDA where and if possible. They agreed to take part in the IFC-APRE discussions on matters of water use, and sustainability.	Follow-up needed with Koleko to part take in the District Summit and market potential projects for uptake by LMs. Tsitsikamma Water showed no further interest in the work of the Agency and no further action is required. Continued interaction and support will be provided to SBDH to ensure they respond to requirements from Transnet
		Q4		Achieved	Request for assistance from CTC Properties with the sale	No further engagement required as both requests have been responded to.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
		Final Agreements for project implementation		of Agricultural land in the SRVM area. Enquiry for Cacadu Development Agency to assist Kellygirl Skills with Youth and SMEs funding or business support.	
Support to new initiative explored with public or nonpublic organizations	Full Assessment of the Boschberg Tourism Hub in Somerset East	Q1 Concept / ideation of how to revamp the facility	Achieved	Discussions were held with the MM of BCRM where it was agreed that the Agency will be invited to the next Council sitting to present and get guidance on how to take this project forward.	Presentation to BCRM Council and get guidance on way forward
		Q2 Stakeholder engagement to discuss future of the facility. Tender Specifications developed for a Service Provider to do full analysis.	Not Achieved	Identification and meeting with relevant stakeholders delayed due to the LED office of BCRM had no information with regards stakeholders. It was found that there is no existing service provider that utilizes the hub as the contract with previous service provider lapsed in 2018.	Liaise with IDP office to assist with the information and extend invitations to the stakeholders.
		Q3 Full costing Report from Service Provider with clear recommendations on restoration	Not Achieved	Appointment has been delayed due to Bid Committee Challenges	To resolve the Bid Committee challenges so that appointment and subsequent processes can start.
		Q4 Funding application to DEDEAT for upgrade	Not Achieved	No responsive tender received	Retender in the new FY

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
		of the Boschberg facility			

Outcome 2: Project Scoping, Packaging, and Investment Mobilisation

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Master Plan and Business Plan development	Completion of the Master Plan and business plan for development of the Makana Innovation Support Facility	Q1 No target set	No target set	Engagements took place with Makana Officials to finalize a suite of projects for the CDA to assist with financial self-sufficiency in future. It is hoped that the MISF will be included.	Await advise on outcome as advised by the Council
		Q2 Initiation of project with multi stakeholder collaboration	Not Achieved	Various follow-up emails and calls with Makana LM did not assist in getting any agreement on the identified projects in place. It was advised that Council resolved to have a facilities management agreement signed giving effect to CDA operating same, however, the MM and CFO needed to ensure that the process in agreement was legally sound.	Assurance was provided that the former MM will assist in finalising the facilities management agreement. This did not happen and CDA will engage the new MM in early 2023 to plan accordingly for the next financial year. The Operations Management Committee decided that this project be held in abeyance until the next FY.
Concept document for Hydropower that is a precursor for Feasibility assessment sponsored by the International	Final Hydropower, Sustainability, Environment, Social and Governance	Q1 No target set	No target set	Communication with IHA to re-establish relationship.	Revitalise agreement for assessing hydropower potential in BCRM
		Q2 Initiation of re-engagement with IHA	Achieved	Engagements via emails and virtual / online meeting occurred in October, November and December to	IHA required that the project should be in implementation phase for them to assist. CDA tried to find all relevant information in regards of both the project applicant

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Hydropower Association (IHA)	(HESG) Report for Blue Crane			establish if the project still meet the initial requirements for release of tranches.	and or developer but were unsuccessful in tracing any to move the project forward. The Operations Management Committee decided project be cancelled as IHA could not assist with an alternative process.
Collaborative partnership with International Finance Corporation (IFC-APRE) to enhance water security	2 Public Private Dialogues to assist in water reduction methodologies in Koukamma Local Municipality and Ndlambe Local Municipality	Q1	Achieved	Task Team meeting held on the 7 September 2022 and Working Group meeting on the 29 September 2022	Intention to engage Ndlambe LM as the second beneficiary of the program
		Q2	Not Achieved	Human capacity challenges cited as reason for Koukamma not being able to ensure a PPD done in quarter. Meetings with the MM and staff of Koukamma did not assist in unblocking the matters raised.	CDA aided to put the PPD process back on track. It was agreed by IFC that this approach will assist to get a PPD done before end of May 2023.
		Q3	Not Achieved	On agreement with IFC and SBDM the PPD will now form part of the District Investment Conference under the theme dealing with Water and Infrastructure. An assessment of the IFC – APRE programme is scheduled for February with the World Bank and CDA.	IFC / APRE agreed that we incorporate the PPDs into the district Investment Summit to be held in April 2023 as the reach will be broader in terms of the water sustainability impact. IFC Feedback on the APRE program and discussions of a potential Phase 2 in South Africa and hopefully in SBDM with more tangible outcomes.
		Q4	Not Achieved	The SBDM Summit where the dialogue would have been substituted with various presentations were postponed to July 2023.	Ensuring that the IFC/APRE programme are part of the broad investment discussions.
Development of an internationally certified		Q1	No target set	No decision and direction of way forward	Decision made to redirect the course

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
abattoir (China) as means to allow for frozen beef trade between SA and China	Funding application for development of an abattoir	Q2 Engagements with one LM and Stakeholders on requirements for development of an abattoir in the local municipality including land allocation and development process	Achieved	Two meetings were held with Ndlambe municipality, the MM and LED office, SBDM and their appointed consultant. The project is being reviewed to ensure that the Ndlambe LM agree with the private sector proposal. The consultant has been set tasks to present to the various stakeholders in January 2023.	Since no real impact could be made by CDA, as it is dependent of the consultant outcome and agreement of Ndlambe LM it was decided that the project be closed, and provisional budget removed.
		Q1 LMs outreach for business matching with 2 applications	Achieved	8 applications received, unable to coordinate time with LED to cover more LMs as planned, mitigation plan is making presentation during SMMEs committee launch event for pilot as alternative.	Follow-up engagements with entities to ensure cooperation and or agreements are established.
Business development facilitation program (BDF)	Pilot the concept and reach one of the pilot objectives (1 business matching event, 1 export e-commerce sales with bounded warehousing support, 1 secure office support in China from Chinese partner)	Q2 1. Engage two Chinese entities to explore the cooperation opportunities for local companies	Achieved	1 virtual business matching conference was hold with Yuhang district (Q3); 3 Chinese entities engaged. 1 Letter of Intent has secured for Local company for cooperation.	Challenges with Covid restrictions and cancellation of the original trip to China imposed extreme difficulties to follow up with the leads, identify opportunities which could realise potential projects. Investigate alternative options to further engage other Chinese entities and monitor the status of Chinese COVID restriction policy
		2. Pilot initiation of e-commerce model with bounded warehouse model (TBC)	Achieved	2. Pilot of e-commerce model with bounded warehouse is on progress, pilot goods arrived bounded warehouse. 3. Facilitated between one of the Chinese company and SA	

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
				company for commercial cooperation/partnership.	
		Q3 Facilitate 1 business matching event (virtual) Secure a commitment with strategic partners to support for Chinese office of SBDM/CDA (TBC)	Not Achieved	Business matching was completed in Q2. Due to CIIE not physically attended in Q2, the PM could not lobby the strategic partners for face-to-face support. Virtual engagement is not effective for such outcomes.	A Follow up engagement is planned in April during the SBDM mission to China

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
		Q4 Assist 1 local company to reach agreement with Chinese entity (TBC) Facilitate 1 local company to reach a sale through e-commerce model (TBC) Submit report and proposal for BDF piloting for 2022-23 with clear achievement of one of the pilot objective and recommendation.	Achieved	Assist two company reached agreement with Chinese entities. Facilitate one local company to reach sale through e-commerce model. Submitted report and proposal.	
Broad-based partnership	Jincheng	Q1 Facilitate 2 local companies to send samples for CIIE 2022	Achieved	8 companies from LMs (2 companies export documents still outstanding)	Follow-up engagements with entities to ensure cooperation and or agreements are established.
		Q2 Support 2 local companies to explore the Chinese export market (CIIE) 1. Facilitate 2 local companies to demonstrate in Expo CIIE and test the market 2. Facilitate 1 local company to reach	Achieved	1. Facilitated 11 companies from 5 LMs to demonstrate in EXPO CIIE and test the market 2. Facilitated 1 local company to reach pilot sales in China	Follow up meeting with local companies scheduled from January to February 2023 to maximise the value of the mission

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
		pilot sales in China (TBC)		<p>Challenges are Business with clearance of cargo, without physically present there it experiences extreme difficulty while SMMEs not fully compliance with all documentations. There is a risk entire cargo may be hold back.</p> <p>All most all of the pre-registered team cannot attend due to COVID restriction, we may face the situation without anyone on site.</p>	
		Q3 1. Facilitate 1 Chinese entity to participate SBDM economic investment summit (virtual or physical)	Not achieved	<p>The SBDM Summit was postponed, and the program is still not confirmed yet to enable the official engagement for</p>	<p>Follow up as per preparation of the summit and engage with strategic partners during the mission to China.</p>
		Q4 Facilitate 1 municipal/social engagement between SBDM and Chinese entities. Submit a report and proposal for 2022-23 with clear	Achieved	<p>Facilitated two municipal/social events to engage with 15 Chinese entities.</p> <p>Submit a report and proposal.</p> <p>The Challenge is our embassy in Beijing unable to issue VISA for the delegation</p>	<p>Follow up the VISA and amend the youth exchange program whenever the VISA is ready.</p>

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
			achievement and recommendation.		

Outcome 3: Project Implementation of funded initiatives

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Implementation of the Somerset East Mixed-use Industrial and Retail Park	Appointment of a Developer as phase two for construction of a Mixed-use Industrial and Retail Park	Q1 Draft Industrial Incentives Development Policy and Strategy guiding development for CDA	Achieved	The draft of incentives policy has been developed.	Need to engage the IP Forum to review the Policy and accordingly advise any indifferences
		Q2 Finalisation and Approval of the Industrial Development Policy and Strategy by CDA Board.	Not Achieved	The draft Investment and Incentives Policy has been developed and finalised. The board needs approve the policy in the next board meeting that will take place early January 2023.	The policy will be presented in January 2023 board meeting after which and advert (RFP) will be put out for prospective investors / developers.
		Q3 1 st Tranche Retention payment Finalisation of the specifications of the RFP and advertisement of tender advert for prospective services providers.	Achieved	The first tranche payment of retention fees to the main contractor was made in February. RFP has been finalized and will be advertised in April 2023.	Second Tranche payment is due by May and the contractor will need to submit requisite invoices.
		Q4 2 nd Tranche Retention payment	Achieved	Second tranche payment of retention fees to the main contractor was paid.	None.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
		Appointment of service provider and Initiation of project with multi stakeholder collaboration	Not Achieved	No developer/ investor responded to the advertised RFP.	Re- advertise the RFP.
Operationalisation of the Somerset East Aerodrome	Repair of infrastructure to make the Aerodrome South African Civil Aviation Authority compliant	Q1 Application to DEDEAT for funding to install BETA Fence as requirement towards safety	Achieved	A funding proposal of R12 092 008.50 for the fencing of industrial precinct (6km perimeter) with beta fence has been submitted to DEDEAT on the 5 th of August 2022.	Review current Operator contract and accordingly rethink the future process as no maintenance were included in the current contract.
		Q2 Review the current contractual conditions with Service Provider	Achieved	The Contract with Progress Academy has been cancelled by mutual agreement and acceptance.	Cancellation now paves the way for advertising for a new operator in January 2023.
		Q3 Appoint Service Provider to install fence. Appointment of Service Provider for general maintenance work at Aerodrome.	Not Achieved Achieved	Fencing funding application has not yet been approved or declined by DEDEAT. Still waiting for the response. Service provider (NBK Trading) was appointed to do the road marking of the taxi and runway of the aerodrome.	Making follow up with DEDEAT on the status of the application. Monitoring the service provider that the same issues encountered by the previous service provider re: poor performance does not occur.
		Q4 Draft specification for operator of the Aerodrome. Supply, delivery and installation of aerodrome lights	Achieved Not Achieved	Specification was drafted and the advert went out. SCM processes are at the adjudication stage.	None Adjudication committee needs to sit and finalise the bid.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Revitalization of Boschberg Tourism Hub.	Support to new initiative explored with public or non-public sector organisations.	Q3 Full costing Report from Service Provider with clear recommendations on restoration	Achieved	Quotations solicited by the BCRM were provided to CDA as a basis to get the restoration process in place. These quotations do not cover the full scope of work and was provided by a Contractor and	The next step is to advertise the RFQ and appoint the service provider.
		Q4 Funding application to DEDEAT for upgrade of the Boschberg facility	Not Achieved	There was only one responded bidder and did not meet the technical requirements of the quote.	Re-advertise the quote.
Assessment and mapping of all Heritage assets with tourism potential in the SBDM district.	Full Assessment of heritage assets with tourism potential in the SBMD district.	Q3 Tender Specifications developed for a Service Provider to do assessment.	Achieved	External advice was recommended by the committee to finalise the specification. Specific committee difficulties in sitting and finalise the specification.	A clear way forward has been provided, the tender needs to go out for the advert in April 2023
		Q4 Full Report with clear indication of heritage assets and tourism potential	Not Achieved	Service provider is not yet appointed, the SCM processes are still at the adjudication stage.	Adjudication sitting is needed to finalise the SCM processes.

Outcome 4: A well governed and viable agency

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Health of financial ratios	Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Q1 Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Achieved	The Agency is currently still operating as a going concern	The entity is engaging with relevant stakeholders to remain relevant and increase chances of securing funds.
		Q2 Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Achieved	The Agency is currently still operating as a going concern	The entity is engaging with relevant stakeholders to remain relevant and increase chances of securing funds.
		Q3 Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Not achieved	The Agency is currently still operating as a going concern. This ratio is measured normally after Q4.	The entity is engaging with relevant stakeholders to remain relevant and increase chances of securing funds.
		Q4 Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Achieved	The Agency is currently still operating as a going concern. The evidence supporting the ratios will be presented with AFS. Currently financial status as at year end is sufficient.	The entity is engaging with relevant stakeholders to remain relevant and increase chances of securing funds.
Compliance on financial planning, administration, and reporting requirement	100% compliance	Q1 100% compliance	Not achieved	Material variances of some budget line items cannot be fulfilled due to historic decisions of Board.	Give the entity sufficient time to prepare budget, considering all relevant factors and include all personnel input in the process
		Q2 100% compliance	Achieved	The material variances in the midterm report are results of first term. In the second quarter the entity spending is aligned to the budget.	Budget adjustment has been prepared after considering matters that are foreseen will incur in the remaining period
		Q3 100% compliance	Not achieved	The material variance in projects, are results of changes in procurement	The bid committees have been set, Supply Chain Management policy have been updated and funds will be

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
				regulation and finalisation of bid committees with the support of local municipality and the parent municipality, due to shortage of staff.	committed to the projects in the fourth quarter.
		Q4 100% compliance	Not Achieved	Delay in implementation of the projects in previous two quarters as per reasons stated in the relevant quarters, resulted to not aligning spending to the budget.	Committed to implement projects in previous quarters, to ensure there are no fiscal dumping and urgency spending in the quarter.
Improved Audit Outcome	Unqualified Audit Opinion without findings	Q1 Unqualified Audit Opinion without findings	Achieved	Audit improvement plan from previous FY audit outcome	Continuous monitoring of the AIP
		Q2 Unqualified Audit Opinion without findings	Achieved	Audit improvement plan from previous FY audit outcome	Continuous monitoring of the AIP
		Q3 Unqualified Audit Opinion without findings.	Achieved	Audit improvement plan from previous FY audit outcome	Continuous monitoring of the AIP
		Q4 Unqualified Audit Opinion without findings.	Achieved	Review of audit improvement plan. Implementation of previous quarter's IA review recommendations. Continuous engagement with service providers to ensure all invoices are submitted on time and paid.	Engagement with IA on Audit Improvement Plan. Road map for preparation of AFS. Internal review of the supporting documents of the internal finance reports.
Expenditure incurred against approved budget		Q1 20% Spending of approved budget	Not Achieved	The actual expenditure by end of quarter is 14.5%. Expenditure is incurred against own funds as grants or	Monitoring of expenditure against Procurement Plan

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
	97% Spending approved budget	Q2 40% Spending of approved budget	Not Achieved	revenue from SBDM have not been received. The actual expenditure by end of the quarter is 33%.	Budget adjustment is prepared to accommodate projects that will need extra funds and for projects that will no longer be implemented.
		Q3 80% Spending of approved budget	Not achieved	The material variance in projects, are results of changes in procurement regulation and finalisation of bid committees with the support of local municipality and the parent municipality, due to shortage of staff.	The bid committees have been set, Supply Chain Management policy have been updated and funds will be committed to the projects in the fourth quarter.
		Q4 97% Spending of the approved budget	Not Achieved	The entity has no sufficient staff to have its own BAC. In cases of projects that the end-user is the finance manager, the entity must further source an SCM official from the relevant municipality.	To sign SLA agreements with relevant partners on sharing relevant committees. Engage with the Parent Municipality to ensure relations are effective in ensuring that shared duties are implemented smoothly.
Agency performance level	100% Performance Level Achievement	Q1 100 % Performance Level Achievement	No target set	Half yearly performance reviews to be implemented	Half yearly performance reviews to be implemented
		Q2 Conduct mid-term reviews	Achieved	Performance Monitoring tools reviewed by staff and general agreement with process proposed.	Actual reviews to be conducted by end January 2023.
		Q3 100% Performance Level Achievement	Not Achieved	80% Achieved – only 1 employee has not been assessed because of ill health	To complete in quarter 4
		Q4 Conduct annual performance reviews	Achieved	Q3 performance reviews conducted	Annual performance reviews are conducted in the new FY after the AG outcomes.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Skills Development and Highly Skilled Staff	97% spent of approved training budget	Q1 No target set	No target set	This budget is not sufficient for WSP interventions	Need review in budget adjustment
		Q2 No target set	No target set	This budget is not sufficient for WSP interventions	Need review in budget adjustment. Some training programs for staff approved with the available budget. Budget adjustment done for implementation of the identified programmes.
		Q3 75% of Training Budget Spent	Not achieved	Staff have registered for different courses and so far 26% of the budget has been spent.	Monitor expenditure on training as some courses are paid per sitting e.g. the Professional Assessment SAIPA
		Q4 97% spent of approved training budget	Not Achieved	Staff have registered for different courses and 62,57% of the budget has been spent.	Delay in approval of the CEO's study program
Number of Board engagements	7 Annual sittings for Board Committee	Q1 2 sitting per Committee	Achieved	3 meetings for CEO interview and approval of appointment process in July 1 meeting for approval of AFS in August 1 st Quarter Meeting held in October 2022	Budget needs to be adjusted for upcoming Board meetings
		Q2 2 sitting per Committee	Achieved	2 nd Quarter Meeting held in January 2023	Ensure regular meetings as per schedule
		Q3 1 Board sitting	Achieved	3 rd Quarter Board Meeting scheduled for 25 April 2023. The quarterly meetings are held after the end of the quarter and are dependable on quarterly reports which are due	Adhered to the Board Schedule of meetings

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
				10 working days after the end of the quarter.	
		Q4 2 sittings per committee	Achieved	Board sat on 25 April and a Special Board Meeting was held on 15 June 2023 The next 4 th Quarter meeting is scheduled for 28 July 2023	Adhered to the Board Schedule of Meetings
Number of Board Committee engagements	4 Annual sittings for Board Committee	Q1 1 sitting per Committee	Achieved	1 HR & 2 Finance Committee meeting were held in August	Monitor expenditure on Board committee activities
		Q2 1 sitting per committee	Achieved	1 Finance Committee meeting in December 2022 2 nd Quarter Finance & HR Committee meetings in January 2022	Ensure regular meetings as per schedule
		Q3 1 sitting per committee	Achieved	3 rd Quarter Finance & HR Meeting scheduled for 21 April 2023. The quarterly meetings are held after the end of the quarter and are dependable on quarterly reports which are due 10 working days after the end of the quarter.	Ensure regular meetings as per schedule
		Q4 1 Sitting per Committee	Achieved	HR and Finance Committees sat on 21 April. The 4 th quarter meeting is scheduled for 27 July 2023	Adhere to the Board Committees Schedule of meetings
Number of Audit Committee engagements	6 Annual sittings for Audit Committee	Q1 2 sitting per Committee	Achieved	2 meetings held in August to consider the Annual Performance Report and Annual Financial Statements	To ensure that quarterly reports are submitted to IA on time to allow sufficient time for auditing and alignment to ARC quarterly meetings

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
				1 st Quarter meeting in October 2022	
		Q2 2 sitting per Committee 1 sitting per committee	Achieved	2 nd Quarter meeting in January 2022	Ensure regular meetings as per schedule
		Q3 1 sitting per committee	Achieved	3 rd Quarter Finance & HR Meeting scheduled for 20 April 2023.	Adhered to the ARC Schedule of meetings
		Q4 1 sitting per committee	Achieved	ARC sat on 20 April. 4 th Quarter meeting scheduled for 20 July 2023	Adhered to the ARC Schedule of Meetings

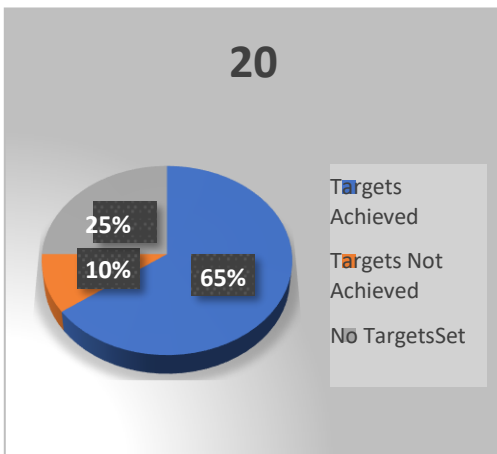
5. Performance Report

Performance reporting helps one to better understand the status of Agency projects and identify areas of improvement while keeping the Shareholder, the Board of Directors, Staff and Stakeholders up to date.

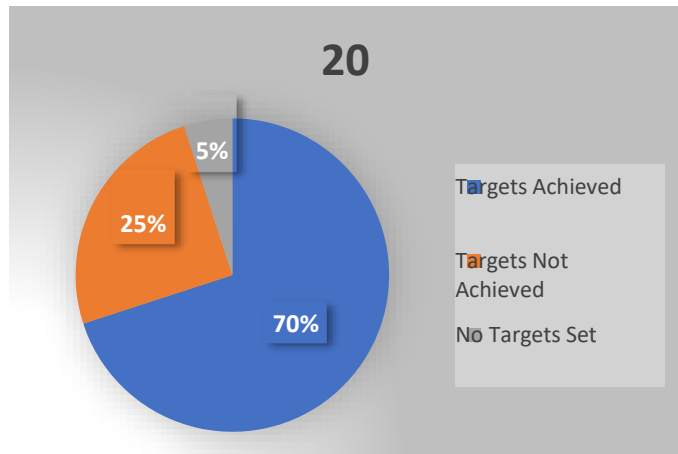
This progress report includes all the work completed or that are in implementation since the last report. It outlines the tasks completed, goals achieved, or changes necessitated due to ever changing circumstances, resource, and related matters. This progress reports document the actions completed, which helps measure productivity and compare the current progress report to previous progress reports.

This section looks at the achievement of targets against the PDOs and provides an indication of whether the Agency is making impact on its mandate.

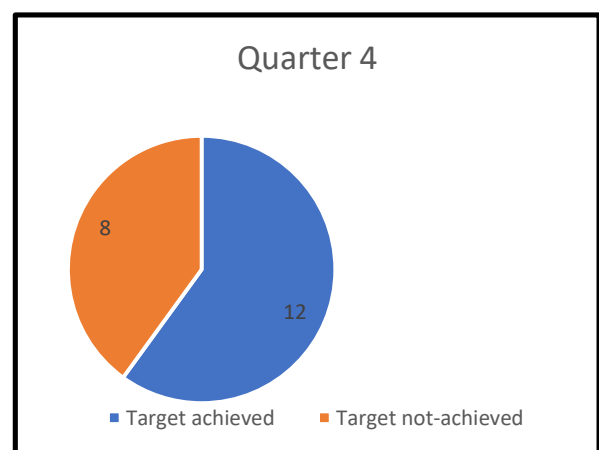
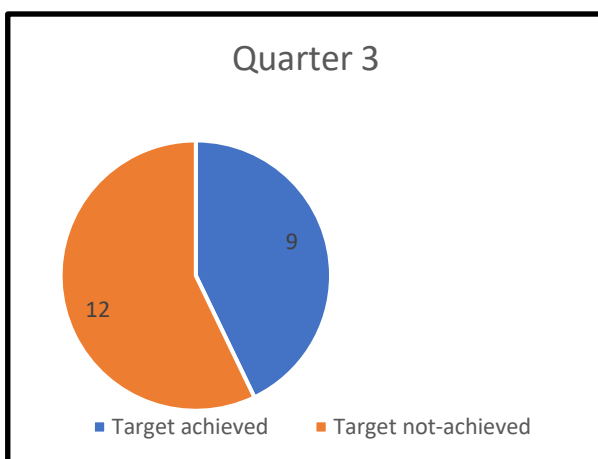
Quarter and Number of targets	Q1 = 20	%	Q2 = 20	%	Q3 = 21	%	Q4 = 20	%
Targets Achieved	13	65	14	70	9	42.9	12	60.0
Targets Not Achieved	2	10	5	25	12	57.1	8	40.0
No Targets Set	5	25	1	5	0	0	0	0



QUARTER 1



QUARTER 2



The information provides a picture of some progress within the Agency. The oversight and administrative processes seem to be doing well, whilst the key mandate of the Agency, delivering projects are still lagging, thus fluctuation in targets achieved. Various reasons for the latter exist, including continuity of operations that delayed various processes in the quarter 1 and needed interventions starting in quarter 2. Quarter 3 and 4 focused on the procurement of various matters relating to mandate and which has been delayed by insufficient SCM processes. The Strategic session held in early December 2022 created a new vision and urgency for the Agency to deliver on its mandate. It is important that the Board, SBDM Council and Management and CDA Management as a collective to ensure the Agency move forward with the mandate set.

6. Summary

The CEO of the CDA on 1 September 2022 and compiled an Inception Report covering governance, strategy, and operations within the organisation. At the end of the 2022/23 financial year a review was made based on some observations from the Inception Report that also acted as baseline. An outcome indicates that support by SBDM and various LMs have been far below par and impacted on the targets achieved. Matters of concern and need urgent address includes:

1. Inconsistency in the extension of the SLA which impacts on continuity.
2. Utilising SBDM land or property to attract investment remains a distant ideal, as non has been handed to CDA for such purposes.
3. Some LMs, despite endless engagements, remains averse to populate the work of the Agency with projects of a catalytic nature that are beneficial to both.
4. The lingering issue of "sustainability" and continued going concern status is thus impacted by non-committal from both SBDM and some of its LMs.
5. Increasing the number of projects and output would have provided the CDA the opportunity to grow and acquire relevant skills to function with less dependence on the SBDM and LMs.
6. SCM challenges illustrates how CDA has been hamstrung due to dependencies on SBDM and LMs, where the number of staff does not allow for participation in all the committees.
7. This has led to various projects being delayed, and worst-case projects not adjudicated as SBDM has withheld support for such a critical function.
8. Increasing the skills pool is an obvious solution but CDA currently also have a moratorium on appointing key staff and had to opt for specialised Interns to prevent and address some critical findings of the AG.

9. This, however, assist in reducing duplication (AG findings) in processing necessary work, but do not respond to the critical numbers needed to constitute a BSC, BEC and BAC – thus impacting on the agility of the CDA.
10. With limited to no support from the Provincial Sector Departments (despite several positive engagements) the Agency engaged with the Private Sector to invest in the Somerset East projects, but no responses to its RFPs for these projects.
11. Red tape reduces the appetite of the private sector, more so at LM level that struggle to collect sufficient rates etc.
12. In the main, the main shareholder (SBDM) needs to ask and answer the following questions:
 - a. Whether it is still in support of the continued functioning of the CDA.
 - b. Whether it will support and address several matters listed above that relates to more certainty in making decisions.
 - c. To provide the political arm, Council and Councillors, with regular reporting as resolved by Council but not implemented – to provide assurance of the work of the Agency.

The CDA have the potential to make a significant difference to the district, local municipalities and sector departments, but a concerted effort is needed to achieve better outcomes.

Submitted by:



Eldrid Marlon Uithaler (PhD)
CHIEF EXECUTIVE OFFICER

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

See Note in the Annual Financial Statements

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

See Page 6 of the Annual Financial Statements. The District Municipality does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

See Page 6 of the Annual Financial Statements. The District Municipality does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

See Notes in the Annual Financial Statements

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

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

Not applicable - The District Municipality's capital expenditure is only linked to assets used for operations and excludes infrastructural assets. All infrastructural assets through capital projects implementation, is capitalised by the local municipalities.

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

Not applicable – see previous comment

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2022/2023

Not applicable

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2022/2023

Not applicable

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Available from local municipalities.

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

Information available from local municipalities.

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

The District Municipality makes an annual contribution to its Development Agency and that will continue for at least another year as resolved by the Council. The amount is determined by Council during its Budget processes annually.

Local Municipalities that perform agency functions on behalf of the Municipality also receive an annual allocation from the District Municipality to perform those functions. Refer to 3.19 above.

The District Municipality also contributes financially towards local municipalities in respect of fire services as the local municipalities are appointed as agents to perform certain functions in terms of section 84(1)(j) of the Municipal Structures Act. The municipality continued utilizing the funding model for fire contributions which has been in the prior year. This model aims to address the related variables within each municipal area with the fire risk factor being fairly weighted, thus ensuring that the contributions to the local municipalities are equitably distributed.

The District Municipality has not provided any loans or grants to outside organisations.

The Executive Mayor may assist needy organisations by donating certain requirements, for example, for impoverished schools and sporting bodies.

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71

All returns, in accordance with Section 71 of the MFMA, were submitted on time.

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Not relevant to the SBDM

This type of information is more pertinent to local municipalities, especially regarding basic services and ward committees.

REPORTING ON KPA'S AS PER REQUIREMENT OF COOPERATIVE GOVERNMENT AND TRADITIONAL AFFAIRS

ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (KPA 1)

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts	96	88	90%	Vacancies
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	4	4	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY.	1	1	100%	Completion of outstanding MFMP modules for CFO.
4	Percentage of Managers in Technical	1	1	100%	.

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	Services with a professional qualification				
5	Level of PMS effectiveness in the DM – (DM to report)	All employees of the institution are on the PM System. Reviews are conducted quarterly. Monthly reports are assessed by Management and submitted to the Mayoral Committee.			
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5-year term	88	88	100%	Vacant post could not undergo the audit. All employees formed part of the skills audit process.
7	Percentage of councillors who attended a skill development training within the current 5-year term	Not all councillors enrolled for the MFMP programme completed their training successfully. There has been a new request to have the councillors that did complete the 16 unit standards continue to enrol for the remaining 6 unit standards of the qualification to be able to have attained the full qualification and not just the requirement of NT.			
8	Percentage of staff complement with disability	2	2	0.2%	The Council employment equity plan has been reviewed and adopted. Recent changes to legislation may impact the duration of the plan but in its totality objectives are achieved as far as possible.
9	Percentage of female employees	50	50	56%	Percentage of entire staff establishment
10	Percentage of employees that	8	8	10%	Percentage of entire staff establishment

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	are aged 35 or younger				
11	Adoption and implementation of a District Wide/ Local Performance Management System	<p>The District Municipality has adopted and implemented an automated Performance Management System which is cascaded to all levels of staff throughout the organisation. This system is operating effectively, and the performance of every staff member is reviewed on a quarterly basis. The system is continually being refined to ensure its efficiency and compliance with legislation. Regular quarterly performance reports are submitted to Council.</p> <p>The automated system of the District Municipality has been made available to all local municipalities. So far five of the local municipalities in the District have implemented the system. Continual performance management support and capacity building is made available to all local municipalities.</p>			

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

WATER SERVICES: Annual Performance as Per Key Performance Indicators in Water Services

The District Municipality is not a Water Services Authority or Water Services Provider. Local Municipalities are the Water Services Authorities and Water Service Providers in the District, and the KPIs for water services are therefore not relevant to the District Municipality.

The objective of the District Municipality is to capacitate Local Municipalities in the District to provide every household within the District with access to at least a basic level of service.

District Municipality Key Projects for 2022/2023

- Completion of Development of Water Services Development Plans

The project seeks to complete the development of Water Services Development Plans that started in the 2021/2022 financial year. The project could not be completed due to the lack of existing planning documents needed to develop the plans. The District

Municipality successfully completed the development of water services development plans for all seven local municipalities within the district. These comprehensive plans are essential tools for Local Municipalities to strategise, implement, and manage water services effectively.

- The General Maintenance of Wastewater Treatment Works in Kou-Kamma Local Municipality (EPWP)

In collaboration with the Koukamma Local Municipality, an Expanded Public Works Programme (EPWP) project was initiated. This project focused on the general maintenance of wastewater treatment works within the Koukamma Local Municipality. The implementation of such projects contributes not only to the improvement of water infrastructure but also to the creation of employment opportunities in the region.

A total of 12 community members were temporarily employed for a period of 9 months from 01 September 2022 to 31 May 2023. Their duties mostly included the trimming of overgrown vegetation around the perimeter of the wastewater treatment plants using heavy duty brush cutters, sweeping and gathering litter and general waste around the grounds, assist the process controllers in general duty of process control and assist in storing chemicals.

- LGSETA Funded Water Training Programme

The District Municipality undertook a water training programme funded by Local Government Sector Education and Training Authority (LGSETA) Discretionary Grant. The training programme focuses on the following two qualifications:

- National Certificate in Water and Wastewater Treatment Process Operations NQF Level 2 (SAQA ID 58951)
- National Certificate in Water and Wastewater Reticulation Services NQF Level 2 (SAQA ID 60169).

As per our application during the funding window from 28th November to 17th December 2021, Sarah Baartman District Municipality (SBDM) was awarded the Discretionary Grant allocation for the following learning interventions:

Date of Award	Learning Interventions	Learners Status	Number	Amount per Learner	Total Award
01 August 2022	National Certificate: Water and Wastewater Treatment Process Operations NQF Level 2	Employed	75	R20 000	R 2 372 000
		Unemployed	20	R43 600	

08 March 2022	National Certificate: Water and Wastewater Reticulation Services NQF Level 2	Employed	25	R20 000	R 500 000
					R 2 872 000

During recruitment exercise of the learners from the Local Municipalities we were not able to meet the number as per the award. The recruitment achieved the following numbers:

Learning Intervention	Name of Local Municipality	Total Number of Learners
Water and Wastewater Reticulation Services NQF Level 2 (SAQA ID 60169)	Dr Beyers Naude	7
	Koukamma	2
	Makana	2
	Ndlambe	8
	Sundays River Valley	5
		24

Learning Intervention	Name of Local Municipality	Employed	Unemployed	Total Number of Learners
Water and Wastewater Treatment Process Operations NQF Level 2 (SAQA ID 58951)	Dr Beyers Naude	11	20	33
	Blue Crane Route	6	0	6
	Koukamma	7	0	2
	Kouga	10	0	
	Makana	11	0	2
	Ndlambe	11	0	8
	Sundays River Valley	10	0	5
		66	20	86

The Water and Wastewater Reticulation Services Training commenced on 15 August 2022 and will conclude on 21 July 2023. The Water and Wastewater Treatment Process Operations training commenced in January 2023 and conclude in December 2023.

- Refurbishment of Sewer Pump Stations in Kareedouw, Koukamma Local Municipality

The project seeks to refurbish four (4) pumpstations located at Kagiso Heights, Mountain View, New Rest and Uitkyk to restore their functionality and enhance their security for an amount of R2 000 000.

Koukamma Local Municipality as a Water Services Authority seeks to ensure the effective, reliable and good quality delivery of water and sanitation services to its consumers in an environmentally responsible way. The Kareedouw Wastewater Treatment Works treats domestic waste that is mainly pumped from four (4) pumpstations. Due to theft and vandalism at these pumpstations, it has caused the non-functioning of the pumpstations resulting in sewer overflowing into the environment.

- Sewer Spillages in Dr Beyers Naude and Blue Crane Route Local Municipality

In response to requests to assist with sewer spillages in both Dr Beyers Naude Local Municipality and Blue Crane Route Local Municipality, an amount of R1 950 000 was disbursed to these municipalities for the hiring of honey suckers and super suckers to clear sewer lines. Dr Beyers Naude Local Municipality received an amount of R1 500 000, 00 and Blue Crane Route Local Municipality received an amount of R450 000.

Major Challenges in Water Services

The Sarah Baartman District's water infrastructure is characterised by aged and deteriorating systems. Many water supply networks, pipelines, and treatment plants are in a state of disrepair, leading to frequent leakages, inefficiencies, and service disruptions. The existing infrastructure struggles to cope with the growing demand for water, resulting in uneven access to clean water across the district. The district has a very low population density hence the water services infrastructure is composed of small individual schemes based on settlements. There is a total of 44 water supply schemes serving more than 125 000 households.

The availability and quality of water are critical factors for sustainable development, public health, and economic growth. In recent times, the district has had to grapple not only with the existing water supply constraints but also with the compounding impact of load shedding on its water provision system. Load shedding, a practice of scheduled power outages to balance electricity supply and demand, has emerged as a critical factor affecting the water provision system in the district. The water supply and distribution infrastructure, including pumps, purification plants, and distribution networks, heavily depend on electricity. Load shedding disrupts the regular operation of these systems, leading to the following adverse effects:

- **Water Treatment Disruption:** Load shedding affects the operation of water treatment plants, causing fluctuations in water quality and the potential introduction of contaminants. Insufficient treatment due to power cuts can compromise the safety of the water supply, posing health risks to consumers.
- **Reduced Storage and Distribution:** Interruptions in electricity supply impact the pumping and distribution of water, leading to reduced storage capacity in reservoirs and a potential decrease in water pressure. This can result in irregular water supply schedules and even temporary water shortages in certain areas.
- **Infrastructure Strain:** Frequent load shedding can strain water infrastructure due to the need to restart and recalibrate systems after power restoration. This can lead to increased wear and tear on equipment, potentially necessitating more frequent maintenance and repairs.

SANITATION SERVICES: Annual Performance as per Key Performance Indicators in Sanitation Services

Local Municipalities in the District are the service providers in respect of sanitation services and the KPIs for water services are therefore not relevant to the District Municipality.

The sanitation function of the municipality is administered by the Department: Infrastructure Development and Community Services. The Strategic Objective of this function is to capacitate Local Municipalities to provide every household with a basic level of service.

Major challenges in Sanitation Services

The Sarah Baartman District faces significant challenges in providing adequate and reliable sanitation services to its residents. Existing sewer systems are often aging and poorly maintained, leading to frequent blockages, leaks, and overflows. This disrupts service delivery and contaminates water sources. In addition, many sewer treatment plants operate at or beyond capacity, struggling to handle the wastewater effectively. This can lead to untreated or partially treated sewage being discharged into the environment.

The above-mentioned challenges require increased investment in sanitation services to upgrade and expand the sanitation infrastructure. As the recent Blue Drop has highlighted, there is need to strengthen maintenance systems that will ensure that any upgraded or refurbished systems are functional throughout their design life.

MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK (KPA 3)

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	7	7	100%
2	Percentage of LED Budget spent on LED related activities.	R2 850 000	R1 9000 000	50
3	Existence of LED strategy	<p>ALL 7 LMs do have LED strategies. 2021/22 FY is the beginning of New Councils and post LG elections, it will be prudent to review strategies as such and new IDPs. In the FY under review the following LMs have reviewed their LED strategies:</p> <ul style="list-style-type: none"> • Kouga LM supported by partnership with Canadian LMs and sponsored by SALGA • DRBN LM as the new amalgamated LM • Ndlambe is currently reviewing their strategy supported by COGTA 		
4	Number of LED stakeholder forum meetings held	4 Independent Power Producers (IPP) forum	4 IPPs	
5	Plans to stimulate second economy	<ul style="list-style-type: none"> • Working closing with Department of Small Business and conducted outreaches to all LMs to introduce and access Township Rural Enterprise Programme (TREP) funding • Working closing with Department of Economic Affairs Environment & Tourism) DEDEAT and conducted outreaches to all LMs to introduce and access Informal Business Support Programme (IBSP) funding • Working closing with Office of the Premier and conducted outreaches to all LMs to introduce and access Isiqalo Youth Fund 		
6	Number and Percentage of SMME that have benefited from a SMME support program	28	50%	
7(A)	Number of job opportunities created through EPWP	118	32	27%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
7(B)	Number of job opportunities created through CWP	0	0	0%
8	Number of job opportunities created through PPP	N/A	N/A	

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	17 400	3 800	21.8%
		Target set for the year 32% or R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	221 900	73 300	33%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	13%		
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	53 600	10 300	19%

		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	There are no municipal consumer debtors, as the District Municipality does not render any direct municipal services to the community.		
6	Percentage of MIG budget appropriately spent	The District Municipality does not receive a MIG allocation.		
7	Percentage of FMG budget appropriately spent	1 000	1 000	100%
8	AG Audit opinion	Unqualified		
9	Functionality of the Audit Committee	5	5	100%
10	Submission of AFS after the end of financial year	30 September 2023	30 September 2023	100%

GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	This is a target for Local Municipalities and Metropolitan Municipalities and not for a District Municipality		
2	% of ward committees that are functional	This is a target for Local Municipalities and Metropolitan Municipalities and not for a District Municipality		
3	Existence of an effective system to monitor CDWs	CDWs are monitored by the Local Municipalities and the Provincial Government.		
4	Existence of an IGR strategy	The Municipality has an existing IGR Policy		
5	Effectiveness of IGR structural meetings	The Municipality's IGR structures meet regularly – refer to page 29		
6	Existence of an effective communication strategy	The Municipality has an effective communication strategy – refer to page 34.		
7	Number of Outreaches to LM's for IDP and Budget	7	7	100%
8	Existence of a fraud prevention mechanism	There is an Anti-Corruption and Fraud Prevention Committee in place. The Municipality has adopted an Anti-Corruption and Fraud Prevention Policy and Strategy. Anti-Corruption and Fraud Awareness Campaigns were conducted. The policy is due for reviewal.		

Information about the establishment and functioning of ward committees for the 2022/2023 financial year will be provided when the Annual Reports of the LMs are compiled.