



Sarah Baartman

DISTRICT MUNICIPALITY

Province of the Eastern Cape

progress through development

FINAL

ANNUAL REPORT

2023/2024

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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

I am honoured to present the Sarah Baartman District Municipality's Annual Report for the 2023/24 financial year. This report reflects our steadfast commitment to advancing the well-being of our communities through consistent service delivery, strategic development initiatives, and robust responses to the challenges we face.

Over the past year, the District has made significant strides in achieving its service delivery targets, as outlined in our Service Delivery and Budget Implementation Plan (SDBIP). We have worked diligently to enhance infrastructure, provide essential services, and improve the quality of life for all our residents. One of our key accomplishments has been the progress made in implementing the District Development Model (DDM), which aims to streamline and integrate our efforts across all spheres of government. I am pleased to announce that we have successfully signed off on the One Plan, a testament to our collective dedication to this innovative approach to governance.

Our District continues to grapple with the impacts of harsh weather conditions. Although the drought that plagued us for years appears to have eased, we still face frequent natural disasters, including flooding, fires, and damaging winds. In response, we have taken proactive measures to strengthen our disaster management capabilities. In the 2023/24 financial year, we invested R6 million in procuring eight new vehicles for disaster services and an additional R1.2 million in essential equipment. Furthermore, we have signed a Memorandum of Agreement with Masikhathalelaneni NPC to enhance our ability to provide relief during disasters. These initiatives demonstrate our commitment to safeguarding our communities and ensuring rapid response times when crises arise.

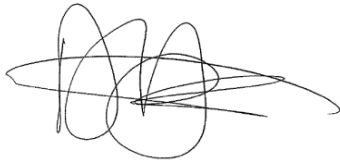
Our Expanded Public Works Programme (EPWP) remains a vital tool in our fight against unemployment and poverty. Through this program, we have created 40 employment opportunities for community members in the Sundays River Valley and Humansdorp. These projects not only provide much-needed jobs but also contribute to the development of local infrastructure and services.

Tourism continues to be a cornerstone of our local economy, as it is the second-largest contributor to the GDP of our District. Recognizing its importance, we supported 14 tourism-related events in 2023/24, with a total investment of R2.5 million. Additionally, we have provided financial assistance to Local Tourism Offices (LTOs) within our local municipalities, many of which struggle with limited funding. This support, amounting to R700,000, has enabled these offices to continue promoting our unique attractions and fostering economic growth. Small, Medium, and Micro Enterprises (SMMEs) in the tourism sector have also benefited from funding totalling R380,000, further bolstering our local economy.

We are acutely aware of the socio-economic challenges facing our District, particularly the pervasive issue of substance abuse. As a Municipality, we believe in the power of sports to change lives and build stronger communities. To this end, we have invested R500,000 in supporting various sporting initiatives across the District. These initiatives not only promote healthy lifestyles but also provide our youth with constructive outlets and opportunities for personal development.

I would like to express my sincere appreciation to all members of the Council, the Mayoral Committee Councillors, management, and staff for their unwavering dedication and hard work over the past year. It is through our collective efforts that we have been able to achieve these milestones and continue to serve the people of Sarah Baartman District Municipality with distinction.

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 are found in the annual performance report (component K page 84)

Hence, this Annual Report will indicate that some projects have been fully implemented in the year under review. Hence the performance of the municipality can be best be considered as acceptable. For the year under review, the District Municipality have again received an unqualified audit opinion.

DISTRICT DEVELOPMENT MODEL

DISTRICT DEVELOPMENT PLAN

The State President in the 2019 Presidency Budget Speech (2019) 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 has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment. The President further called for the rolling out of “a new integrated district-based approach to addressing our service delivery challenges and localised procurement and job creation, that promotes and supports local businesses, and that involves communities...” The President is cognisant of the fact that such an approach will require that “National departments that have district- level delivery capacity together with the provinces ... provide implementation plans in line with priorities identified in the State of the Nation address”.

The District Level Model builds on the White Paper on Local Government (1998), which locates the role of local government as critical in “rebuilding local communities and environments, as the basis for a democratic, integrated, prosperous and truly non-racial society”. Therefore, the model is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government to work jointly and to plan and act in unison. The model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan spheres together by all three spheres of government resulting in a single strategically focused Joined-Up plan (One Plan) for each of the 44 districts and 8 metropolitan geographic spaces in the country.

The One Plan will consist of the objectives, outputs, roles and responsibilities, and commitments in terms of which all spheres and departments as well as partners will have to act and against which they will be held accountable for prioritising resources and delivering results.

SBDM District Development Plan

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

- i. 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.
- ii. 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;
- iii. 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.

- iv. 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.
- v. To create an **environment** which is conducive for **investment**.
- vi. 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 a number of 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 also 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 second draft iteration was submitted to SBDM council on 29 March 2023 and was adopted.

Together with the EC COGTA District office for Sarah Baartman, 4 workstreams have been established to ensure the Vision and goals of the SBDM DDP are implemented.

- The four workstreams are:

Economic Positioning
Public Development
Governance and Finance
Infrastructure

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 2023/2024 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.

100% Monitoring and Compliance with Water Quality Monitoring Requirements in Addo Water Treatment Works, Kirkwood Water Treatment Works and Enon-Bersheba Water Treatment by the Community Workers was done. The monitoring was done from the July of the financial with whatever tools the SRV municipality had (tools), SBDM bought tools during the second quarter and more effective.

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 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, the final Spatial Development Framework for Koukamma Local Municipality adopted by Koukamma Local Municipality Council and the Public participation for drafting of the Spatial Development Framework for SBDM was concluded on the 23 June 2024.

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 Makhandha to be accommodated in the approved grant of R50 million from the Department of Roads and Transport. Progress has been as follows:

Upgrading of Van Beeren St (Ring Rd) in Riebeeck East 1,2km is on practical completion stage.

Upgrading of M Street and Albert Street 4.1km in Makhandha contractor appointment was delayed and site handover was only done in May 2024, project is still on-site establishment phase and ripping of existing tar road.

Upgrading of Van Behrens Street Snag phase to be completed by end July 2024, Upgrading of M-street and Albert Street to be completed by end 24/25FY.

Development of Draft Stormwater Master Plans for 5 municipal areas (towns) in Local Municipalities (Blue Crane, Makana, Kouga, Sundays River Valley and Koukamma) was completed.

Appointment of 15 participants for road maintenance - pothole patching in various areas in Makana was completed.

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.

Clearing of Illegal Dumping Sites was completed. Provision of Communal refuse bins could not be done due to a portion of the funds were used for an additional 10 Community Workers. The additional 10 Community Workers was appointed for equality in race reasons. Conducting Community Clean-up Awareness Programmes in Paterson, Sundays River Municipality was done.

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:

69 Fire Services Personnel was trained. Due to savings in the budget additional 17 additional Fire personnel were trained as some were already trained in some of the modules.

Recruitment of 12 Safety Patrollers from Community Workers for Improved Security through the provision of Security Patrollers at Humansdorp Senior Secondary School in Kouga Local Municipality was done. The school that was initially identified was Humansdorp Secondary, but when the project started there were other schools identified with the same challenge by SAPS and Community Forums. We then had to divide the participants amongst the schools. The improvement is based on that there were no cases of fights and threats in the schools.

Health

Home-base Care for the aged, young and people with disabilities in partnership with Community Health Care Centres provided to 100 households for SRVM and Koukamma including Recruitment of 14 Community Workers and Procurement of Personnel Protective Equipment was done

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 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 three [53] females and thirty [30] males employed at the institution as the end of June 2024. The district adopted a new Employment Equity Plan in December 2021- November 2026.

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 continue to improve due to the appointment of the Job Evaluation Co-ordinator in 2022. In May 2024, the Coordinator's contract was extended for one (1) year in order to finalise the grading of jobs . 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.

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Sarah Baartman District Municipality [SBDM] undertook an extensive organisational review during the 2023/2024 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 Municipal 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 Municipal Staff Regulations of 2021 (MSR 2021).
2. The deadline for the approval of an organogram was approved with comments in May 2023 following the concurrence by COGTA. The SBDM Council adopted the structure effective from 1 July 2023.

3. 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

No Organizational Structure was conducted during 2023/2024 financial year. The existing structure is detailed:

1. Five (5) frozen positions,
2. Three (3) new positions, and
3. Nine (09) unfunded positions

After the submission of the approved structure was submitted to the MEC for comments

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

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 2024 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 2023 R/m	Cash Backed Unappropriated Surplus Balance 30 June 2024 R/m
General (includes post-employment medical benefit provision of R59.4m)	197.1 (includes an amount of R56.5m which is ring-fenced for long term medical benefit liabilities and is not available for allocation)	182.7 (includes an amount of R59.4m which is ring-fenced for long term medical benefit liabilities and is not available for allocation)

TOTAL	197.1	182.7
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The Council had a deficit of R12.9m (2023: R5.8m) 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 R140.4m (2023: R140.4m), whilst expenditure on projects and services stood at R153.4m (2023: R146.3m).

The District Municipality's final adjusted budget amounted to R299.3m. 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 R73.4m (2023: R71.3m) and R34.8m (2023: R33.2m) respectively. The Municipality generates its own internal income from mainly interest income and rentals which amount to R20.6m (2023: R17.5m) and R0.17m (2023: R0.1m) 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 R68.2m (2023: R65m). Due to the nature of its functions, the Council does not have its own revenue streams and is almost totally dependent on grant funding.

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

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

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.

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%

Key Findings

Population

- The overall population size of Sarah Baartman District Municipality has increased since 2011 by 18.3 % or by 82 669 people.

Age Distribution

- The number of young children (0-14) decreased from 27.2 % in 2011 to 23.8% in 2022; while the working age remained stable at 65.8% in 2022 compared to 65.9% in 2011 and the elderly increased from 7% in 2011 to 10.3% in 2022. The percentage decrease in young children was almost identical the percentage increase in the elderly.

Sex Ratio

- The sex-ratio decreased from 95,6 in 2011 to 90,7 in 2022 indicating a decrease in the number of males per 100 females in the population.

Households

- The number of households increased by 26% (32 776 households) but the number of people within a household remained stable with a slight decrease from 3,6 in 2011 to 3,4 in 2022.

Housing and Infrastructure

- The number of formal dwellings increased from 87.3% in 2011 compared to 95.2% in 2022.
- Access increased for all the following: flush toilets (73,6% 2011 compared to 87,7% in 2022); weekly refuse (78,7% in 2011 compared to 85,1% in 2022); accessed to piped water (51,0% in 2011 compared to 64,4% in 2022) and electricity for lighting (87,3% in 2011 compared to 95,2% in 2022).

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

Source: South Africa
Regional eXplorer v2443.
Data compiled on 15 Jan
2024.

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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 10-16

OPERATING RATIOS – See KPA 4 page 153.

TOTAL CAPITAL EXPENDITURE: YEAR 2022/2023 TO YEAR 2023/2024 – See Notes 9 to 12 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 are 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:

4. All municipalities had to adhere to the Staff Regulations of 2021 (SR2021).
5. 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:

4. Five (5) frozen positions,
5. Three (3) new positions, and
6. 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 2023/2024 financial year. This is the eighth consecutive year that 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 106-113.

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 2023/2024 to Internal Audit and Auditor-General	August 2023
5	Mayor tables the unaudited Annual Report	August 2024
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 2024
9	Municipalities receive and start to address the Auditor General's comments	December 2024- January 2025.
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 2025
13	Council adopts Oversight report	
14	Oversight report is made public	
15	Oversight report is submitted to relevant provincial councils	January 2024
16	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

COMMENT ON THE ANNUAL REPORT PROCESS:

For the prior years there has been aligned 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

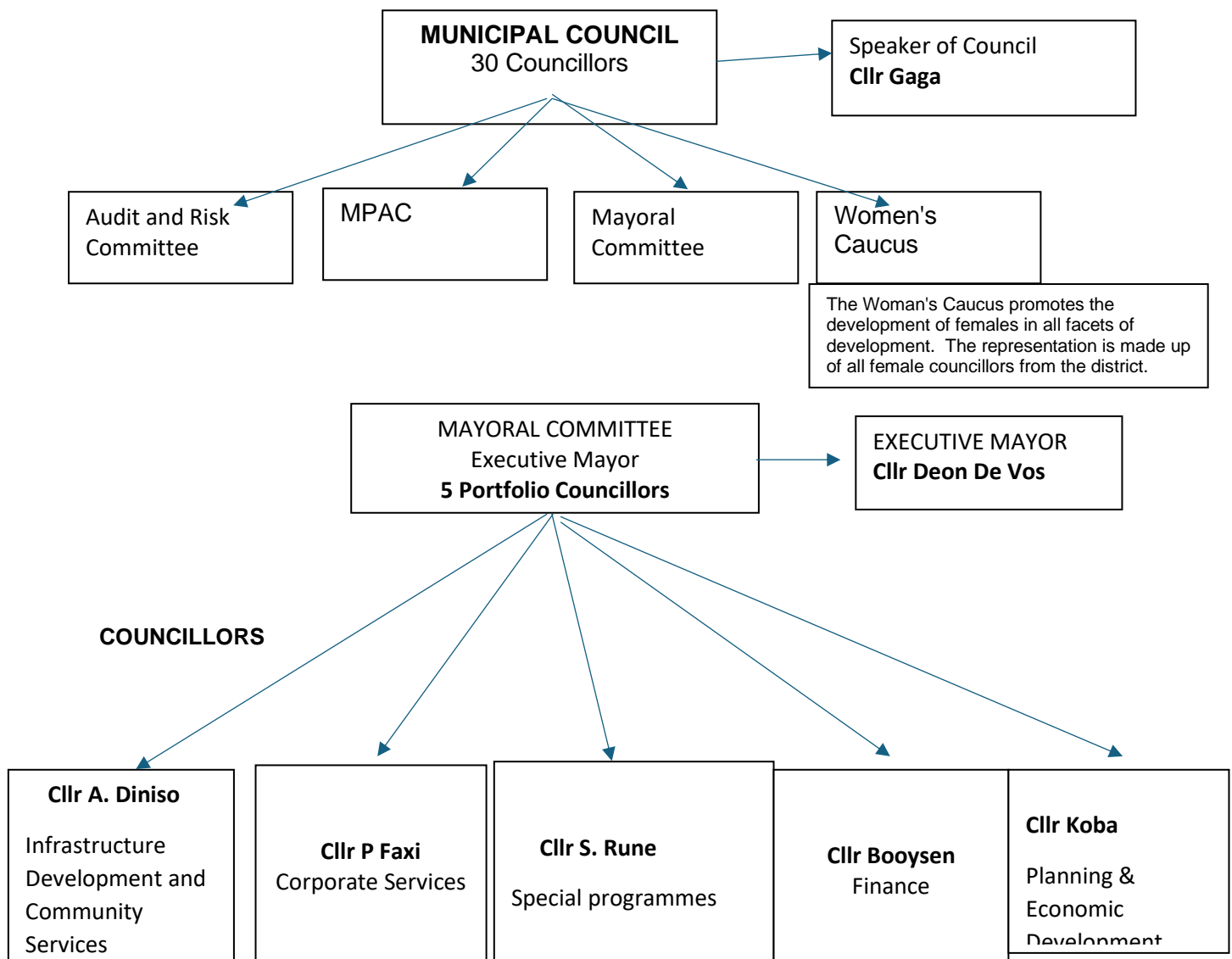
affairs and performance and risks faced by of the institution. A report from the Audit Committee is included in this Annual Report. There is also an Anti-Corruption and Fraud Prevention Committee which is a sub-committee of the Audit and Risk Committee.

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 for ensuring 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. The 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

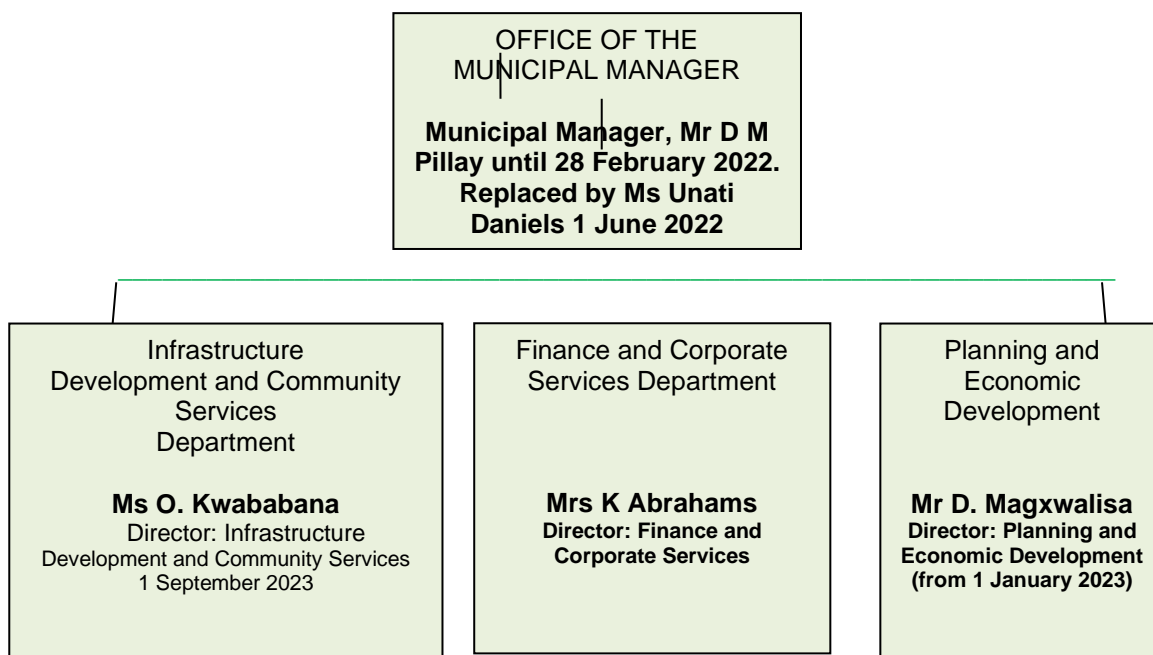
The Municipal Manager is ultimately responsible for the administration of the institution. The Municipal Manager is the Accounting Officer of the municipality for the purposes of the Municipal Finance Management Act. He provides guidance on compliance with this Act and all other legislation applicable 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 for supporting 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 Premiers 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 fiber 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

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]. The incumbent was appointed on 01 May 2020 although the job evaluation and grading process is still underway. The incumbent is also required to coordinate the communications system within the district as the district does not have a Head of Communications position currently. 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 Sarah Baartman District Municipality communications is aligned with the National Government Communications Policy which was adopted by Cabinet in 2018.

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 2023/24 the process of handing over the management of the institution's website management to the Communications Officer began. The management of the website includes project management of the website, its operation and updating.

A total of 4 official District Communicators Forum meetings were convened, with participation by both government departments and Local Municipalities. The Sarah Baartman District Municipality also assists local municipalities in development of their communications strategies and policies.

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 social media accounts, Media liaison in terms of media invitations to events and media interviews, responding to media queries.	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 2023/24 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 and municipal branding.

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.

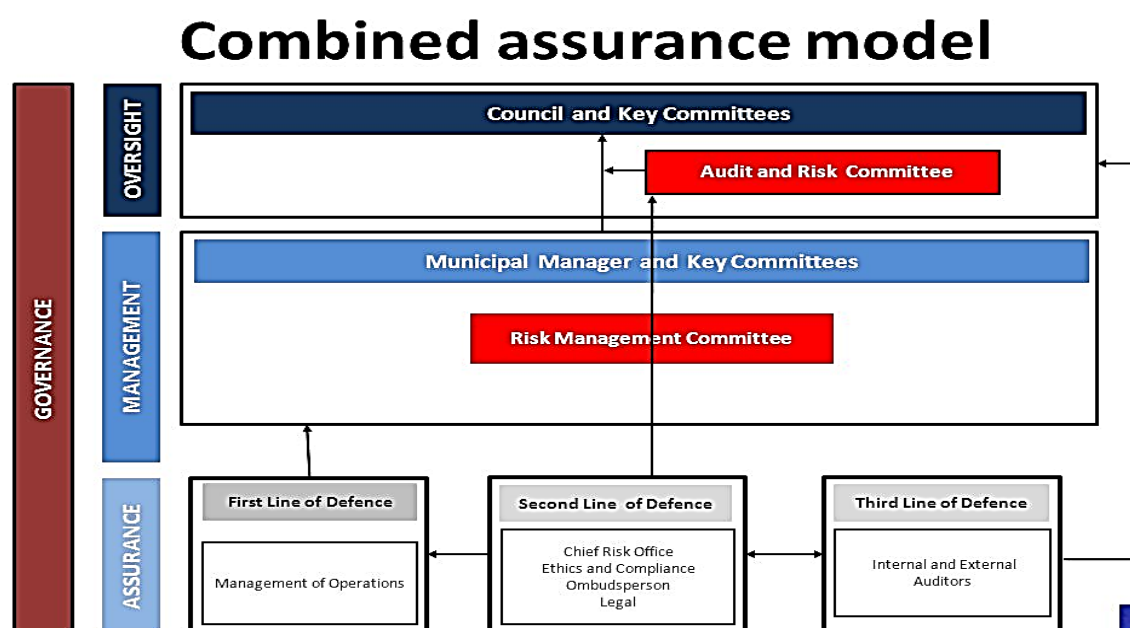
The municipality has incorporated the combined assurance model to a great extent but acknowledges that the ultimate model is yet to be achieved.

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.



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 – there was no internal audit plan by the Audit and Risk Committee due to the appointment of a internal audit service provider was only appointed on 1 May 2024

External Audit – the municipality was audited by the Auditor-General of South Africa. The municipality achieved an unqualified audit once again, referring 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 were availed to the Committee. The Committee also performs an 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, analyses, 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

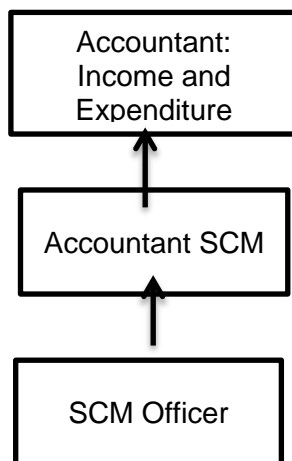
In terms of paragraph 3(1) of the Policy, the Accounting Officer must, when considered necessary, submit proposals for amendment of the Supply Chain Management Policy, to Council.

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 2023/2024. The municipality is also verifying 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 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 2023/2024 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 requesters 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 (2023/2024)	Yes / No
Annual budget Adjustment budget	Yes
All current budget-related policies	Yes
The previous annual report (year 2022/23)	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 2023/2024) and resulting scorecards: Directors Municipal Manager	Yes
All service delivery agreements (Year 2023/2024)	Yes
All supply chain management contracts above prescribed value for Year 2023/2024	Yes
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2023/2024	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 2023/2024	
Contracts agreed in Year 2023/24 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 2023/24	
All long-term borrowing contracts (Year 2023/24)	

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. 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 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 regard to its own functions. In addition, the public satisfaction survey that was envisaged by 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 and 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.

A 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 2023/24

- Construction of 2 prioritised projects in Makana:
 - ✓ Upgrading of Van Behrens Street in Riebeeck East – Complete
 - ✓ Upgrading of MStreet, Albert Street and Ncame Street – Construction
- Developed Road Safety Assessment for Kouga, Ndlambe and Makana
- Developed Stormwater Management Plans for Kareedouw, Alexandria, Patensie, Cookhouse and Makhanda
- Application for borrow pit authorisation in Makana LM
- Appointed 14 local labourers under EPWP in Makana for pothole patching and stormwater

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:

- 2022/23 – R 2 396 000.00
- 2023/24 - R 2 128 585.00
- 2024/25 - R 2 514 000.00

The allocation for 2023/24 financial year was fully spent.

The technical part of the RRAMS Programme continues to proceed well.

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 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 2023/2024

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 Gazette d	Appeal Authority Establish ed	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
11/02/2022	Special Consent(cellphone tower)	Erf 3015	Blue Crane Route	Approved
16+ 30/09/2022	Special Consent (Day care)	• 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 additional documents for
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 maximize 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.

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 through enhancing the community’s ability to create enterprises.

As part of working for inclusive and sustainable economic growth, the most pressing objectives are as follows: -

- Ensure that black businesses participate meaningfully.
- Ensure that the industry is transformed, and more jobs are created.
- Accelerate participation of black business in the mainstream economy.

Based on the above, the District Municipality approved the SMME/Cooperative and Tourism SMME funding for 2024/25 financial year.

There are various levels followed in the processing of applications received. It is important as well to note that the District Municipality also complements submissions received from Local Municipalities, using the following platforms to attract applications:

- Deal with applications backlog received from the previous year and could not be supported due to budgetary constraints.
- District Municipality outreach by the Speaker and Executive Mayor
- Interval visits to Local Municipalities by the Department to directly interact with the SMME sector and understand LED environment that drives the township economy.
- Submissions received through District SMME coordinating committee that meets the District Funding threshold.

The district's focus areas for SMME development and Tourism support are related to the following opportunities:

- Working with and to improve development integration with Independent Power Producers ie Enterprise Development Support
- Increase support to Youth Business and Internet support services to remote areas.
- Township economy
- People with Disability
- Training and Development
- Tourism enterprise development and creative industries

The District Municipality budgeted in the 2023/24 Financial Year and supported SMME development initiatives and Cooperatives that are supported by Local Municipalities and included in their IDPs:

FY	SMME	MUNICIPALITY	WARD	FUNDING AMOUNT
2020-21	Sinebhongo 515 Trading	Blue Crane Route	515 Cotani Street Bhongweni Location, Cookhouse, 5820	R40 000

	Maluju Trading (PTY) LTD	DR Beyers Naude LM	937 Jooste Street, Umasizakhe, Graaf Reinet, 6280	R60 000
	Mzomhle B&B		2 Berrenge Road, Graaf Reinet, 6280	R50 000
	Rans Dimension Catering		107 Holland Location	R50 000
	Makis Kitchen (Pty) Ltd	Kouga LM	2 Saffery Centre, Humansdorp, 6300	R50 000
	Mesrazest Pty Ltd		1 Tuna Street, Pellsrus, Jeffreys Bay, Eastern Cape, 6330	R50 000
	LJ Authen Easts	Koukamma LM	36 Darnell Street, Storms river Village, 6308	R70 000
	Guest Lodge On The Edge		Plott 466, Thornham, Tsitsikamma, 6307	R75 000
	Streamline Tourism Marketing & Events		304 Storm River, 6308	R85 000
	A Sabatha Media "Professional photography and video Services"	Makana LM	87 High Street, Grahamstown, 6139	R100 000
	IngweNkala Trading		12 Matthews Street, Kwanonzwakazi, Alicedale, 6135	R100 000
	Lutifusion (PTY) Ltd		7416, Phumlani Ext.2 Joza Location, Grahamstown, 6139	R100 000
	Admix Entertainment		7332 Ext.2, Phumlani, Grahamstown, 6139	R75 000
	Amantomb Amahle General Trading			R75 000

			45 Nkonjane Street, Ext. 9, Grahamstown,6139	
	The Black Power Station		3 George street, Grahamstown, 6139	R75 000
	George and Justice Construction		11476,Ext.10, Grahamstown 6139	R150 000
	Notywebe General Trading		6950, Joza Location, Grahamstown 6139	R75 000
	Hands of Gold Spa	Ndlambe LM	778 Barky Lane, Port Alfred,6170	R30 000
	Xman Tshisanyama (Pty) Ltd		1767 Runeli Drive Port Alfred 6170	R50 000
	Bali Private Chef PTY LTD		20 West Street, Port Alfred, 6170	R50 000
	Siwelele Cooperative Canon Rocks		666 Galjoen Street, Cannon Rocks Beach	R50 000
	Isiphilise Sewing Primary Cooperative		57 Voortrekkerr Street,Alexandria,Easter n Cape,6185	R100 000
	Otha K2W Trading		2458 FrereStone, Burthust, 6185	R100 000
	Kilimanjaro African Cuisine	Sundays River Valley	1912 Mtyhopho Street, Nomathamsanqa Location, Addo	R75 000
	Mawethu Grass Cutting Services		63 Clay Street, Peterson,6130	R100 000
	Nomveliso Nomzamo Speki		1971 Msengeni Area, Moses Mabida,Kirkwood	R75 000
2021-22	Kwelendalo P. Coop	DR Beyers Naude LM	Bushvlei Farm, Jansenville	R150 000
20	LJ Printers Audio and Sound		108C 3 rd Avenue, Wollowmore	R50 000
	Rose Samuels		17B 1 st Avenue, Willowmore	R50 000

	Booyaka Recording Studio	Kouga LM	3223 Vergenoeg, Kwa-Nomzamo, Humansdorp.	R60 000
	Ibamanye Primary Coop	Koukamma LM	152 Darrel Street, Stormsriver, Tsitsikamma	R150 000
	Grooming 2010	Makana LM	3 Grey Street, Makana resort	R200 000
	Monde Fani	Ndlambe LM	800 Fani Street, Port Alfred	R50 000
2022-23	Qhamani Woodwork	DR Beyers Naude LM	Spoorweg, Graaff-Reinet, 6820	R100 000
	Bush Guest House		8 Murray Street, Graaff Reinet	R70 000
	Zinothando Bakery	Blue Crane Route	328 Cotani Street, Bongweni Location, Cookhouse, 5820	R100 000
	Yabantle Imvelo (Pty) Ltd	Kouga LM	2074 MJIJWA Street, Centerton Location, Hankey, 6350	R100 000
	John Tee's Projects		3 McCabe Ext. 4, Hankey, 6350	R100 000
	Be Kind Entrepreneurship Programme	Koukamma LM	River Mouth, Tsitsikamma: Untouched Adventures Offices, Storms River	R200 000
	Jakes Shisanyama		46 Storms River, Tsitsikamma	R50 000
	Thabo J Express	Makana LM	6 Link Street, Grahamstown	R120 000
	Pavaroti Hair Salon		17 New Street, Grahamstown	R50 000

	Yonz Trading Self Catering	Ndlambe LM	18 York Street, Port Alfred, 6170	R75 000
	BASI IT SOLUTIONS		Upper Caxton Farm, Shaw Park, Buthurst,	R200 000
	Xcotta General Trading		1831 Runeli Drive, Port Alfred, 6170	R100 000
	Langman Upholstery	Sundays River Valley	1925 Hani Street, Nomathamsanqa Addo; 6105	R100 000
	Sanna Joseph		108 Dubula Street, Moses Mabhida, Kirkwood, 6120	R120 000
	Eco-Agri Solution		3674 Makhaleni, Valencia, Addo, 6105	R60 000
	S&A Delight & Events		1396 Sonwabo Street Nomathamsanqa Township, 6105	R65 000
	Isange Inkosi Primary Cooperative		2422 Duka Street, Nomathamsanqa Location, Addo, 6105	R80 000
2022-23	CD Freight Logistics Pty Ltd	Kouga LM	10 AD Keet Road, Wavecrest, Jeffreys Bay, 6330	R200 000
	Bubele Security Services		5 Arnica Close, Jeffreys Bay	R200 000
	Lozhar Entertainment	Ndlambe LM	89 Ngcwangu Street Port Alfred	R75 000
	CTMB Trading	Ndlambe LM	79 Tena Street Alexandria	R150 000

3.14 A DISTRICT GROWTH AND DEVELOPMENT SUMMIT

The Sarah Baartman District Municipality hosted a high-profile two-day conference and exhibition that attracted and oversubscribed 300 people attended physically and showcased the district and its potential on the 19-20th July 2023 at the Settlers Monument, Makana LM.

The event was supported by a partnership of development organisations in the region including local government, relevant development agencies, higher education organisations and organised business and agriculture. We also used the event to reinforce District Business to Business to attract Chinese Investment.

The Sarah Baartman region has shown an intention to develop various sectors in recent years to overcome challenges, to build partnerships and to innovate. There are many examples of this at local and regional level and a growing portfolio of initiatives has emerged that have the potential to make a major difference in creating jobs, promoting growth, and improving quality of life for people across the district. The District Investors Conference was about building new partnerships and creating a platform to develop initiatives that are responding to local needs.

The main purpose of the event was to elevate the discussion from the Sector-Focused Stakeholder Engagement discussions to the level of commitments or actionable items. The primary goal of the Summit is to mobilise broadly across the sectors and in particular the private sector to identify practical specific interventions that will stimulate economic growth and development.

Global Economic Outlook and Impact

The impact of global events such as the Covid Pandemic, the conflict in Russia and Ukraine and other regions, climate change impacts of a diverse nature and generally the impact of economies of scale, demands new responses at local level.

The events in KZN and various others attributed and compounded a negative economic trajectory in the country and really felt within our district. Accordingly, the Quarterly Labour Force Survey for the second quarter (2020) showed that as many as 2.2 million jobs were shed in the country because of these eventualities. The negative impact is noticeable in the economy of SBDM, especially in the agricultural, business and tourism sectors, which are key economic drivers. This has resulted in countless job losses and some of the businesses are still in the recovery process. SMMEs in all sectors of the district have been severely affected and all three (3) National Parks and Eco-tourism establishments had to shut down due to reduced business activity.

At municipal level the knock-on effect of already struggling to collect revenue from service charges and rates, this situation worsened because of the pandemic and other related and significant impacts. The net effect resulted in difficulty servicing bulk accounts like Eskom and ending increasing debt, and with a reduced budget struggling to fulfil mandates and serve to its citizens. Known for periodic disasters, the district also struggles in the delivery of adequate water supply. This impacts on the agriculture

sector with it having a huge potential for growing not only in the local economy but also the Provincial and National economy. More investment is needed to further diversify this sector.

Growth and development summit highlights

Opening the event, the SBDM Executive Mayor Cllr Deon De Vos gave the way forward from the previous conference which was last convened in 2007. Cllr De Vos, set the tone by encouraging the Summit to focus on investment promotion by leading the charge through public investment. The Executive Mayor also emphasized the theme of the summit as it was coined SBDM as “Being an engine for growth.”

The summit was graced by the presence of the Honorable Deputy Minister of Agriculture, Land Reform and Rural Development, Ms. Rosemary Capa, the Premiere of the Eastern Cape, Mr Oscar Mabuyane and MEC of Transport and Community Safety, Mr Xolile Nqata.

The first day of the conference focused on making the SBDM a conducive environment for investment under the following themes “District Economic Competitiveness and Development Opportunities for Job creation and Inclusive Growth” and “Economic Infrastructure as an enabler for Growth and Development.”

The Premier of the Eastern Cape Hr Oscar Mabuyane delivered the keynote address of the summit, where he encouraged SBDM to harness the relationship with existing investors and to mobilise resources to attract new investment opportunities in the district especially in the field of renewable energy. The Premiere also highlighted that SBDM is a diverse district, home to seven local municipalities – Dr Beyers Naude, Blue Crane Route, Makana, Ndlambe, Sunday's River Valley, Kouga and Kou Kamma. Each of these municipalities brings a unique character and distinct potential for growth, be it through national art festivals, adventure activities, birdwatching, and the various internationally recognized eco-tourism game reserves.

He added that SBDM district's strength lies in this variety, and it ought to capitalize on this distinct identity to attract meaningful investment. The summit then broke into three (3) parallel sessions, focusing on the following topics:

- Agriculture Development and Opportunities for Growth
- Tourism and Creative Industry
- Economic Infrastructure to unlock Sector Growth and Development in the District

SUMMIT ACHIEVEMENTS AND DELIBERATIONS

Presentations from a range of innovative local projects and attractions featured prominent. Supplemented by specialised breakaway workshops / dialogues on the focus areas of the district. Also, cultural performances highlight the talent in the region.

Structured networking spaces allowed local business, project, and municipal leaders to engage with funders and investors about their projects and related opportunities.

The exhibition created a platform for local entrepreneurs and businesses, social projects, municipalities, and community groups to showcase their projects and services. Further engagements were created for established businesses and investors, national government departments and SOEs to highlight relevant services, technologies, funding that they provide that might be useful to partners in the region.

The Summit brought together an audience that was oversubscribed to the original 250 delegates drawn from government, business & international audiences via Hybrid platform.

It was prudent to focus on business leaders as they are the potential investors and drivers of economic development.

Other participants comprised government officials, traditional leaders, researchers, captains of industry and civil society and informal and small business

DECLARATIONS AND RECOMMENDATIONS

The declarations and recommendations and way forward were as follows:

- ✓ The need for the establishment of an inclusive District Investment Promotion Council made up of public- private partners in the realisation of the district growth objectives.
- ✓ In addition to the establishing Public- private partnerships, work in close relation with other agencies who have similar developmental mandates.
- ✓ The need to reduce red tape which hinders the growth of the Tourism transformation, infrastructure development and agricultural development.
- ✓ The need for structured funding mechanisms for the development of Tourism, infrastructure development and agricultural development.
- ✓ The district to structure their efforts in line with the district development model and work with all its local municipalities.
- ✓ SALGA to continue to assist the district in achieving their developmental mandate and investment attraction and retention.



Ekhaya > Ezoshishino

Iqhube ngempumelelo ingqungquthela yophuhliso lweMpuma Koloni

By Editor July 22, 2023

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3.14 B District Oceans Economy Engagement

- Council resolved to adopt the Provincial Oceans Economy as a framework to craft a District development path and project identification on the Ocean Economy. That resolution further advised to host a seminar on the subject for the district. The Oceans Economy has been in the agenda of Council and timing was perfect when the Eastern Cape Socio-Economic Consultative Council (ECSECC) invited the district to form part of the series of Oceans Economy District engagements.
-
- The workshop engagements were organised in collaboration with the district municipalities and were held at the four coastal district towns of the Eastern Cape as follows:
 - ✓ Alfred Nzo District Municipality, on the 29th of February 2024 in Bizana
 - ✓ OR Tambo District Municipality, on 08th of March 2024 in Mthatha
 - ✓ Amathole District Municipality, on 13th of March 2024 in East London
 - ✓ Sarah Baartman District Municipality, on 14-15th of March 2024, in Port Alfred, Ndlambe LM
- The workshops were attended by representatives of national and provincial government departments and entities, national Secretariat of Operation Phakisa,

district, and local government (coastal and inland), Universities, TVET Colleges, fishing communities, youth, SMEs, and various stakeholders from the district ecosystem.

• **Rationale for the Workshop**

- The driving narrative and context stems from the coastal region with an advantage to tap into the province as proudly a maritime province, well-endowed with marine resources, and 800km coastline. In recognition of this precious natural resource, the provincial government has positioned the Oceans Economy as one of the six high-potential priority sectors for socio-economic development in the province.
- In efforts to advance the Oceans Economy development at Local Government, the provincial Oceans Economy Secretariat worked in partnership with Sarah Baartman District and hosted by Ndlambe Local Municipality in Port Alfred.
- The aim was to establish a platform in district and local municipalities (including inland), its communities and stakeholders participating in Oceans Economy to explore collective efforts toward achieving the objectives of ocean economy development.
- It is important again to recall that this is a follow up action to implement the District Growth and Development Summit outcomes where it was indicated that sector specific engagement will be organised post summit to go comprehensively in areas not fully covered during the GDS event held 19-20 July 2023.

It is against this background that the Sarah Baartman saw it befitting to partner with ECSECC and convened this to drive the Ocean Economy agenda for the district.

• **Purpose of the Workshop**

-
- The workshop objectives included:
 - ✓ Engage with stakeholders to drive the agenda at local government Creating awareness and sharing information.
 - ✓ Soliciting buy-in and championing of the Oceans Economy agenda for the district
 - ✓ Formulating a shared vision of the Oceans Economy sectors in the districts
 - ✓ Profiling the potential and competitiveness of the district Oceans Economy; and
 - ✓ Consolidating and packaging a district project portfolio.
- Participatory research was used to gather qualitative insights from participants. The outcome is informed and well-capacitated coastal municipalities that can effectively engage on maritime industry.

Workshop Proceedings

- The two days' workshop for Sarah Baartman DM focused on bringing key stakeholders together to collaborate in detailed problem analysis, priority setting, and intervention planning and delivery.

The program design set out to achieve a flow of information sharing considering the global and national review of the Oceans Economy through the Master Plan development process. Having taken consideration of the national context, a provincial review was provided through the provincial highlights of progress in the sector and further the value chain analysis which examines the various sub-sectors of the Oceans Economy to determine where Small, Medium, and Micro Enterprises (SMMEs) may find a role, and their involvement strengthened.

• **Key Issues for Consideration by the District Municipality and its Partners**

- ✓ Strengthening of LED in municipalities – its institutional arrangement, capacitation, and purposeful agenda to promote a vibrant coastal local economy.
 - ✓ Establishing district forums as platforms to continue the Oceans Economy conversation for promotion and awareness and to drive the ocean economy agenda.
 - ✓ Maritime Education and Skills Development programs to drive transformation and empowerment among youth, women, primary co-ops, SMMEs, etc.
 - ✓ Effective management of governance matters to promote sustainable livelihoods, economic development, and growth.
 - ✓ infuse community led economic solutions. communities are well informed about their own spaces and therefore are key in policy making.
- The District Municipality should strengthen stakeholder engagement and coordination at local government especially organising Fish farmers in the coastal towns. The Oceans Economy should be included as an agenda item at district forums. The district to Kickstart efforts of mainstreaming the Oceans Economy in municipal plans, strategies, and budgets.
- It should be the priority of this March 2024 engagement which started in July 2023 GDS outcomes to consolidate participants' input and package for inclusion into the District Masterplan development processes in the review of District SDFs and District Socio-enterprise economic development strategy (SEEDS) due for review.

3.14 C 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 2023/2024

TOURISM DEVELOPMENT AND DESTINATION MARKETING

Sarah Baartman participation on the World Travel Market Africa (WTM) - 2024

The **World Travel Market Africa** is one of the largest tourism marketing events. 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. This annual vibrant event welcomes nearly 10 000 attendees from the travel industry globally. Through industry networks, global reach and regional focus, WTM Africa creates personal and business opportunities providing customers with quality contacts, content and communities. The travel industry professionals attend this Africa's leading and only business to business (B2B) exhibition for inbound and outbound Africa travel and tourism markets. 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 tourism 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.

As a recovery plan, SBDM derived a series of measures to protect and rejuvenate supply, reignite demand and strengthen enabling capability. Our participation assisted in exposing the region's tourism offerings to the world. It was a great opportunity for the industry role players in the region as our 7 Wonders tourism brand was tabled in front of buyers, influencers, and tens of thousands of potential customers.

This Expo had a 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 tourism destination of choice. It also provided 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. It was reported that over 100 countries were represented. There were seminars and workshops that ran across all three days, and they featured a variety of speakers to help interested participants to gain a better understanding of topical content. From these networking sessions we come out full of invaluable insights into the latest industry trends and innovations and we become more confident about the outcomes as we robustly market the region and/or popularize the brand.

District Participation

WTM took place on the 10-12 April 2024. 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. Jeffreys Bay & St Francis Tourism
4. Sunshine Coast Tourism
5. Tsitsikamma Tourism
6. Karoo Tourism (Dr Beyers Naude)

Blue Crane Tourism and Makana did not have representation.

The Sarah Baartman District Municipality was represented by the following:

- Executive Mayor
- PED Portfolio Councillor
- Municipal Manager
- Planning and Economic Development
- Project Manager: Tourism and Marketing
- Admin PED

As tourism is a shared responsibility between DM and LMs, All Local Municipalities were invited to participate but only Kouga LM and Dr Beyers Naude were 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 organisations.

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. We shared the above activity with the local municipalities present

The Executive Mayor, Municipal Manager, Portfolio Councillor: PED played an oversight role and attended meetings as per their appointments scheduled prior the event. 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 evaluation meeting was held with all regional stakeholders in attendance as always. It was unanimously agreed that SBDM continues to create similar platforms so as market the region as a preferred destination and through events, whilst busy exposing the 7 wonders brand to the world. Most LTO were able to meet with different tour operators from speed marketing activity and follow up meetings will take place as scheduled.

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 our vast array of African leisure tourism products.

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. BONDay sets the scene for Africa Travel Indaba.

This 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 people 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. The trade show takes place in Durban at Inkosi Albert Luthuli International Convention Centre which is the world-class Host Venue for any show of this level.

It showcases the widest variety of Southern Africa's best tourism products and attracts international visitors and media from across the world. Delegates include international and national tourism associations, product owners, media and exhibitors from throughout the globe.

Africa's Travel Indaba brings together a showcase of Southern African tourism products and services for the international travel trade. Exhibitors in the Durban Exhibition Centre (DEC) include provincial authorities and provincial products. This year's show was themed "Unlimited Africa" it featured more bolstered engagements sessions and networking opportunities with limitless possibilities for growth and exploration. It emphasized the importance of networking, collaboration and building bridges across borders. There were over 1100 exhibitors and 26 African countries represented and over 1000 buyers from 55 countries.

The four main reasons to exhibit tourism trade shows are as follows:

- Increasing tourism 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

Sarah Baartman Participation 14 – 16 May 2024

Our revival strategy post COVID 19 is to create brand awareness for 7 Wonders and robustly market Sarah Baartman Region as a preferred destination. To revive the sector, Sarah Baartman DM, once again created a platform for all Local municipalities and Local Tourism Organisations in the district to participate in the Africa Tourism Expo. Our main aim is to market Sarah Baartman area in a coordinated manner.

Both LMs and LTOs were responsible for their transport and accommodation. SBDM only committed to space, stand, furniture, part marketing/promotional material/ and accreditation. All other LMs except Kouga did not attend due to financial constraints. Only two LTO were unavailable to attend. Blue Crane LTO due to other commitment and Makana LTO due to budget availability.

The success of INDABA 2024 is 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 by all attendees. 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.

SUPPORT TO FESTIVALS/ EVENTS

Tourism in South Africa as is the case in the global economy is still on a recovery path from COVID19 pandemic, putting thousands of businesses and jobs at risk. The

priority for the sector therefore is to develop measures that can build a more resilient sustainable tourism economy.

Sarah Baartman District Municipality derived a series of measures to protect and rejuvenate tourism supply, reignite tourism demand and strengthen enabling capability within the industry.

These actions are aligned to the National and Provincial tourism activities. SBDM committed to rendering financial and non-financial support to local tourism initiatives within the district as part of the post COVID 19 recovery plan. The primary aim of this support is to assist our local areas on efforts to develop and market their respective areas as contemplated on the district tourism strategy.

Event marketing is one of the activities highlighted in the tourism strategy as a key initiative that can grow the industry in the district and put Sarah Baartman District on the map as a preferred destination. Events are important motivators of tourism, and they have a significant effect on the formation of a destination image. They can help with promoting, positioning, and branding, which can contribute to a more favorable perception as a potential tourist destination. Events have a role to play in enhancing destination attractiveness and competitiveness.

The primary aim of supporting and hosting events is:

- to grow the tourism industry
- to attract more tourists to the area
- to enhance destination attractiveness and competitiveness
- to foster a positive destination image
- to contribute to general place marketing

The benefits of supporting festivals / events

These festivals and events resulted into the following socio-economic benefits that stimulate economic growth in the wider Sarah Baartman District:

- Sarah Baartman being established and promoted as a strong driver of economic growth through creative industries.

- High profile promotion and marketing of the Sarah Baartman 7 wonders brand as a competitive tourism destination with diverse offerings.
- Positioning Sarah Baartman as South Africa's 'Cradle of Creativity' through adventure sports
- Positioning Sarah Baartman as a reputable tourism destination to both international and domestic markets to increase Sarah Baartman 7 wonders market share.
- Extensive media exposure reach a lucrative audience to promote Sarah Baartman as an attractive tourist destination.
- Attraction of a significant number of visitors for the duration of the festival or event.
- Procurement of products and services from local businesses and creation of new jobs for locals for duration of the event/festival.
- Hosting of key stakeholders to improve and maintain business relations by offering a memorable hospitality experience and promote economic investment due to caliber of attendees depending per event
- Prominent branding and marketing

2023 SBDM SUPPORTED FESTIVALS/ EVENTS

• NAME OF FESTIVAL/ EVENT	• EVENT TYPE	• MONTH HELD	• CONTRIBUTED AMOUNT	• LOCALITY
• KIRKWOOD WILDSFEES	• MUSIC FESTIVAL	• JUNE – JULY 2023	• R 250 000.00	• ADDO, SRVM
• NATIONAL ARTS FESTIVAL	• MUSIC ART/CULTURAL F	• JUNE – JULY 2023	• R 500 000.00	• MAKHANDA, MAKANA
• IKASI TOURISM EXPERIENCE	• MUSIC FESTIVAL	• JULY 2023	• R 100 000.00	• MAKHANDA, MAKANA
• INQWEBA MUSIC FESTIVAL	• MUSICE FESTIVAL	• SEPTEMBER 2023	• R 150 000.00	• ADDO, SRVM
• Adventure Racing World Championships	• SPORT EVENT	• OCTOBER 2023	• R 300 000.00	• KOUGA, SRV & BLUE CRANE ROUTE
• GOSPEL FESTIVAL	• MUSIC FESTIVAL	• NOVEMBER 2023	• R 100 000.00	• PORT ALFRED, NDLAMBE

• MAKANA FESTIVAL	• MUSIC FESTIVAL	• DECEMBER 2023	• R 150 000.00	• MAKHANDA, MAKANA
• AMANZI CHALLENGE	• SPORT EVENT	• DECEMBER 2023	• R 100 000.00	• PORT ALFRED, NDLAMBE
• ECAWA FESTIVAL	• MUSIC FESTIVAL	• DECEMBER 2023	• R 200 000.00	• PORT ALFRED, NDLAMBE
TOTAL			R 1.850 000.00	

SUPPORT TO LOCAL TOURISM ORGANISATIONS

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

- 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 through enhancing the community's ability to create enterprises. In particular, the constitution refers to developmental tourism being the process through which:

- "Partners from the public, business, labor and civic sectors work together to identify, utilize and harness location-specific resource to grow and transform the economy in specific local areas through implementing programs and projects that build on and showcase opportunities and /or address economic empowerment constraints" (Constitution of SA, Act 108:1996).

Section 84 of the Local Government: Municipal Structures Act, Act 19 of 1998, provides for the division of functions and powers between district and local municipalities. Subsection (1) of section 84 allocates a list of specific functions and powers to district municipalities whilst subsection (2) allocates to local municipalities all other functions and powers not mentioned in the list. In terms of tourism, the Act No. 19 of 1998 defines:

- "Local tourism" as a local area function and 'Promotion of local tourism for the area of the district municipality' as a district function. Each municipality may thus regulate structure and control the tourism industry in its area.

Chapter 5 of the Structures Act also establishes reciprocal support duties between district and local municipalities. The role of district municipalities is emphasized in section 88(3), which says that the district municipalities should be providing support / capacity to local municipalities if they are unable to deliver the function.

The White Paper on the Development and Promotion of Tourism in South Africa, 1996 promotes the development and management of the tourism industry in South Africa in a responsible and competitive manner. Key guiding principles for tourism development, as set out in the White Paper are as follows:

- Development through tourism should be ***private sector driven***
- Government should provide an ***enabling environment*** for the development of tourism
- Effective ***community involvement*** should form the basis of tourism growth
- Tourism should be underpinned by ***sustainable environmental practices***
- Tourism development is dependent on ***co-operation*** and ***close partnerships*** among key stakeholders
- Tourism should be used as a ***developmental tool*** for the empowerment of previously neglected communities
- A ***safe and stable tourism environment*** should be created

Based on the above legislative framework, Sarah Baartman District Municipality, in its Integrated Development Plan, committed to rendering financial support to local tourism organisations located in the district.

The primary aim of this support is to assist formally constituted local tourism organizations to market the district as a preferred destination, ensure brand alignment and encourage cooperative marketing and communication.

Local Tourism Organizations that were supported in the 2023/24 financial year:

LTO	Local Municipality	Category	Amount
Makana Tourism	Makana	<ul style="list-style-type: none"> - Compliance of 50x Tourism - Business owners: R 70 000 - Capacity building: R 30 000 - Marketing liaison for 12 months: R 120 000 (R 10 000 P/M) - Housekeeper skills programme: R 30 987.90 - Transport hire, tour quote: R 6 000 x 3 = R 18 000 - Farmers Markets: Toilet hire R 11 000, Security R 9 000, General hire R 3 500, Liquor License R 4 500 - Entertainment acts R 9 550 - 45x Homestay Equipment: R 350 000 	R 656 537,90
Dr Beyers Naude	Dr Beyers Naude	Steytlerville Tourism (R 60 000) <ul style="list-style-type: none"> - Valley of the Flages: R 10 000 - Marketing (Website, logo & Advert): R20 000 - Frame welding, Family Crest: R30 000 Rietbron Tourism (R 40 000) <ul style="list-style-type: none"> - Phase 1 project (Bron): R 20 00 - Phase 2 project (Paddadam): R20 000 G-R Tourism Office (R 1 206 050) <ul style="list-style-type: none"> - Marketing Strategy: R 50 000 - Compilation of New Constitution: R 100 000 - Signage – Façade: R 55 000 	R1 618 850,00

	<ul style="list-style-type: none"> - 3x Town entry Signages: R 50 000 - Expos: R 21 000 - Hosting Int. Buyers during Expos: R 400 000 - Route/Trail Development: R 300 00 - Online Booking & Shop Develop: R 80 000 - Shop fitting for tourism office: R 100 000 <p>Aberdeen Tourism (R53 050)</p> <ul style="list-style-type: none"> - Info Centre Map & Signages: R 1 875 - Info Centre Members pamphlets: R 4 725 - Info Centre pamphlets rack: R500 - Info Centre posters: R 2 000 - Church signage, bible panels & Graveyard: R1 500 - Gardening & Field Agric: R 4 800 - 10x farms route: R 4 000 - Buying of Author books: R4500 - Aberdeen Roadside board: R6000 - Painting and cleaning: R 4500.00 - Branding of dustbins by ATA: R800 - Wine stoep tasting incorp: R 5 000 - Website training & update R 2 350 - Sports grounds upgrade: R3 000 - Soup kitchen upgrade: R 4 500 - Islands in town upgrade: R 3 000 <p>Willowmore Tourism (R 25 000)</p>	
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		<ul style="list-style-type: none"> - Signage – Tourist attractions: R 10 000 - Marketing - Willow Limo Historical Tours: R 15 000 <p>Janseville Tourism (R 76 000)</p> <ul style="list-style-type: none"> - Website maintenance support: R 4 000 - Ink, paper etc: R2000 - Entrances of town & bridge street, beautifying & upkeep: R 18 000 - Euphoria garden in Caravan park, Collection of plants in veld: R 16 000 - Re-opening Info center at Museum, Rent R 3000 p.m. for a year :R 36 000 <p>NIEU-BETHESDA CTO (R 158 750)</p> <ul style="list-style-type: none"> - Social Media R54 000 - PDI Training R8 400 - PDI Subsidy of devices/ connectivity R 8 850 - Training of CTO members: R7 500 - Signage R15 000 - Village Maps R20 000 - Design & Hosting fees R20 000 - Dedicated CTO Officer R25 000 	
Tsitsikamma Tourism association	Koukamma	<ul style="list-style-type: none"> - Training, Development & Support for PDIs and Developing Langkloof - Tourism SMMEs: R 50 000 - Destination Marketing Activation - Campaigns to the Koukamma: - R 80 000 	R 420 000

		<ul style="list-style-type: none"> - Content Generation, Archive - Recreation of Smaller Establishments: R 45 000 - Expos Expenses: R 65 000 - Printing of Marketing Material: R 100 000 - Cultural Tourism Development: - 	
Blue Crane Route LTO	Blue Crane	<ul style="list-style-type: none"> - Website: R15 000 - Social media: R20 000 - 200 Year Bicentenary Festival: R120 000 	R 155 000
Greater Addo Tourism	Sundays River Valley	<ul style="list-style-type: none"> - Mentorship Programme for grade 11/12: R 135 000 - Trade shows (Expos): R 70 000 	R 205 000
Kouga LTO	Kouga	<ul style="list-style-type: none"> - Expos: R 75 000 - Social Media Marketing: R48 000 - Marketing material: R 30 000 - Marketing strategy: R 47 000 	R200,000
Sunshine Coast Tourism	Ndlambe	<ul style="list-style-type: none"> - Service excellence training: R33 000 - The refurbishment of the new office, Kenton: R30 000 - Extension of tourism footprint -Alexandria: R 10 000 - Expos Attendance: R 40 000. 	R 113 000
TOTAL			R 3 368 387.90

SBDM approved funding support for LTOs based on the available budget and funds are distributed as detailed on the table above.

SBDM collaborative and empowerment programme for music and creative industry

SBDM has supported a collaborative and empowerment program for music and creative arts, in the last financial year. This initiative has taken place in Ndlambe, Kouga and Sundays River LM benefiting artists in 5 municipalities i.e. Ndlambe, Makana, Kouga, Koukamma and Sundays River. The program empowers youth, including all genders and people with disabilities in the following streams:

- ✓ Radio presenting
- ✓ Sound production
- ✓ Broadcasting
- ✓ Music compilation
- ✓ Performance (music and acting)

This is a collaborative effort between SBDM, Local SMMEs like Lutfusion, Mafa Foundation and CCIFSA

For the above partners to discover young artists and produce SA Top Brands we need to have life changing programs which speak extensively about social skills in all towns of Sarah Baartman District Municipality. We also need a database which will serve as a pool of talent to pursue careers in the creative industry space.

PURPOSE OF THE PROGRAM

- ☐ To shed light on the potential synergies between film, music and tourism, paving the way for innovative partnerships and collaborative ventures in SBDM's burgeoning entertainment and tourism sector.
- ☐ To avail information to artists in the creative industries
- ☐ To inspire young aspiring artists and creative's to start their own record labels, film studios, art studios and businesses.

This initiative provides a platform for professionals in the entertainment industry to share their experiences and insights. Challenges and opportunities are also scrutinised. It also

provides SBDM with an opportunity to grow the creative industry sector with direction and purpose.

By leveraging the allure of film, art and music, SBDM can create immersive experiences for its visitors, fostering growth and cultural exchange.

To date the District Municipality has invited well know people in the creative industry space and the likes:

- ✓ Gwiba Nkonki (Music Compiler / Radio Practioner from Umhlobo Wenene Fm
- ✓ Mafa Bavuma – Umhlobo Wenene FM
- ✓ King Boi – Tru FM
- ✓ Anele Matoti (Msimelelo from Gqeberha the empire)
- ✓ Thembinkosi Litha (Thulani from Gqeberha the empire)

The programme has managed to mobilize 285 artists registered on our database and in the new financial year the programme will be held in the last two municipalities separately i.e. Dr Beyers Naude LM and Blue Crane LM. These workshops are scheduled to take place in August 2024.

EP HERALD CYCLE TOUR 2024 SARAH BAARTMAN DISTRICT

The Herald Cycle Tour is one of South Africa's oldest cycling classics, beginning in 1986 and takes place over 2 weekends-weekend 1 Mountain bike race in Addo and weekend 2 Road race In Gqeberha. The event is sanctioned by Cycling South Africa and boasts a long-standing tradition of delivering a memorable cycling experience to all riders.

The event hosts over 2600 participants and aims to create an experience for all levels of riders from beginner riders to community and social riders to the competitive elite riders.

OBJECTIVES OF THE CYCLE TOUR

- ✓ To promote an active and healthy lifestyle through the sport of cycling
- ✓ To create and build a cycling culture within the community.

- ✓ To promote the Addo region as one of the top tourist destinations and help foster economic growth within the community.

THE EVENT PARTNERS.

The event is proudly supported by long standing partners such as Powerade, Eastern Cape Motors Ford, Standard Bank, Thule, Wayne Pheiffer, Trek, CycloPro, Coimbra, Addo Wildlife, Zuurberg Mountain Village, Goshawk, Relay EMS, Talisman Hire and K&W Amusements.

The Sarah Baartman District Municipality was the additional partner of the Tour for the 1st time and as a Gold sponsor to the value of R330 000 pa. The 1st Cycle tour took the form of Mountain Bike race on Sunday, 11 February 2024, in Addo, Sarah Baartman. The Road Race took place on Saturday 17 and Sunday 18 February 2024 in Gqeberha.

CONTRIBUTING TOWARDS THE ADDO COMMUNITY

Hosting a mountain bike event within the Addo region not only showcased the beauty and land scape of tourist attractions, but also contributed towards job creation and inclusivity for the following individuals/ establishments:

- Farmers who assist as route marshals (50+marshalls)
- The Hermitage House: contribution via food markets and school donations
- Accommodation bookings via outdoor tenting and / or local lodges and guesthouses
- Visitors from out of town that visit the local eateries and restaurants.
- Local service providers that are utilized for the successful running of the event.
- Addo Polo Club as the official venue host of the MTB event
- Complimentary race entries allocated towards the Addo community to participate in the MTB race.

This year a community based NPO "Bayethe Multi sport academy based in Addo was the district beneficiary and name were submitted by the Sunday's River Valley Municipality.

3.14 D Trade and Investment Promotion

The District Municipality in the financial year under review returned the function from CDDA back to the District Municipality. Therefore, all efforts related to this function are now coordinated, facilitated and implemented under the Planning and Economic development directorate with a dedicated official and budget to resource the function moving forward.

Progress on SBDM /China partnership agreements and action plans

The District Municipality Council resolved in council that progress report and implementation of China/District relations be reported at various intervals and further Council is appraised on progress in the rollout of actions coming out of those agreements.

CIIE Expo 2023/24

The China International Import EXPO (CIIE) is the most important import EXPO in China. It provides international businesses the opportunity to demonstrate and test the acceptability of their products, to connect buyers and suppliers and study new business trends.

More than 3486 companies from 154 countries and regions participated in the 2023 CIIE and over 137,000 products showcased in the Expo. The SBDM CIIE 2023 mission focuses on facilitates local business to explore the export opportunities and test the products and packaging.

Over 60 different products provided by 10 entities were showcased in China, which covers 4 of our local municipalities, which are Kouga, Koukamma, BCRM and SRVM.

The showcase products included following:

- ✓ African crafts
- ✓ Canned food
- ✓ Coffee
- ✓ Honey bush tea
- ✓ Aloe
- ✓ Eggs
- ✓ Mohair
- ✓ Citrus
- ✓ Tourism products

The District Municipality held several meetings with municipalities and product owners to discuss the district participation and an invitation was extended. As much

as only three municipalities confirmed interest none of them could travel due to financial constraints.

However, two product owners travelled with the district in order to market their product themselves. Other product owners handed over their products for the District Municipality to assist with marketing and linking with markets.

There were over 15 official meetings which were scheduled and confirmed with Jincheng, Linping and Yuhang municipalities. The delegation was also invited to be guests and witness the commitments made during the Zhejiang China-Africa economic and trade forum.

The following was also achieved during the mission:

- One (1) cooperation MOU with Bank of China was concluded with SBDM,
- One (1) business agreement with Tollie African Safaris and KJ Import Export Co was concluded during the Expo.
- Four (4) products (Aloe and Citrus) successfully exported to China through official channel,
- More than five (5) items realized piloting sales during the mission namely:
 - ✓ Mohair products
 - ✓ Coffee

Engagement highlight

The mission is a combined business and official program, parallel activities run simultaneously. Hereby highlights the engagement and notes as follows:

KJ Imp & Exp (Orient group)

Orient group is one of the Shanghai municipal entities, KJ is one of the subsidiaries of Orient group.

In April 2023 SBDM establish a partnership relationship with KJ and the intention is to support local export and SME development with the KJ and Orient group support.

The continuing engagement is to further the cooperation based on the original MOU, the primary achievements include but not limited to the follows:

- ✓ Promote citrus in China and further develop the market for the district.
- ✓ Reach a business intention with local business regarding the beef export.
- ✓ Explore the opportunities of potential SBDM Experience Hub in Shanghai with Orient group support.
- ✓ Invited Orient group and Shanghai municipal officials potential visit SBDM in 2024 to further explore the cooperation opportunities.

Bank of China

Bank of China (“BOC”) is one of the top 4 bank in China, the Johannesburg branch reaches an agreement with SBDM to support our local social-economic development. The primary objectives of the cooperation MOU are as follows:

- ✓ BOC agree to avail its E-cooperation system to SBDM and local business.
- ✓ BOC support SBDM local business to explore the future business development with Chinese entities.

CloudNeedle

The meeting with CloudNeedle is a follow up meeting based on the recent engagement.

Hangzhou water treatment plant

Hangzhou water treatment plant is one of the wastewater treatment plant in Yuhang district. It has state-of-the-art technology with its building facility situated underground with a municipal park on top of it.

The purpose of the visit was to physically see and understand the way in which CloudNeedle smart water management system operated in real cases.

BOSS electronics holding

Boss Electronics Holding is one of the leading electronics manufacturing companies in Linping district.

The purpose of the visit was to understand the Linping industrial development and explore the potential synergies between the two municipalities and local businesses.

Alibaba digital tech

Alibaba digital tech is one of the subsidiaries of Alibaba group. It is a leading textile company in China with state of art technologies to reshape the industrial.

The purpose of the visit was to get an insight of potential future textile development trends and bring new ideas of industrial development.

Hangzhou XIAO elevator

Hangzhou XIAO is one of the leading factories for domestic and industrial elevators. This is a fully automated factory with exquisite technology.

The purpose of the visit is to get a sense of how leading technologies are reshaping the traditional industrial which potentially bring new ideas of support our local business and development plan.

Liangzhu historical site

Liangzhu historical site is one of the municipal initiatives. The purpose of the visit was to get an in-depth knowledge of how Yuhang district conducts its municipal tourism development and promotion practices. The knowledge sharing served as an eye opener in terms of how SBDM can improve.

Tangxi Town

Tangxi Town is one of the Linping municipal tourism development project, the purpose of the visit was to gain insight into the Linping municipal tourism practices and ideas.

Meeting with Deputy Minister

When the Deputy Minister learnt that SBDM will be participating in the Expo she agreed to meet the SBDM delegation. Deputy minister is proud of SBDM expo initiatives and would like to encourage SBDM to lead the development with other 3 district as well. Her visit also provided an opportunity for the two businesses to discuss some issues with her directly.

Jincheng municipality

Jincheng municipality is the starting point of SBDM partnership with China, this relationship forms the foundation for cooperation with China. This engagement is further the relationship, and the following intention/ideas were discussed:

- ✓ Intention of support SBDM experience hub in Jincheng with primary commercial space.
- ✓ Potential support to SBDM agricultural and agro-processed products in Jincheng municipality
- ✓ One of the Jincheng local municipalities is interested to explore the partnership with one of the SBDM local municipality.
- ✓ Indicate willingness of further partnership between Jincheng and SBDM
- ✓ Invite Jincheng official visit to SBDM to further the discussion in 2024.

Jinhua municipality

Jinhua municipality is one of the successful cases of rural development and one of the leading international export municipalities in China.

The purpose of the visit was to gain an insight in terms of the municipal rural development initiatives (transformation) and to learn more about the China-Africa economic and trade forum.

Yiwu market and development case study

Yiwu is one of the successful towns of Jinhua municipality. It has gone through a lot of development which has led to how the town has transformed over time.

The purpose of the visit was to gain an understanding of how the town has transformed over time and how the transformation has impacted local economic development.

Yiwu was traditionally a poverty inland rural town, without minerals and away from the sea with poor road connection. The average farmland for citizens was less than 135m² per person, the most popular business in the town were private vendors

which carried stretcher loads of locally made sugar sweets to trade for chicken feathers and scrap copper.



Since early 80's, Yiwu town leadership drove the "Trading town strategy" in a decisive way. It took Yiwu about 40 years to turn the poverty town into a world leading small commodity trading town, the regional town GDP over R450 billion per annual in a 1,103km² with 890,820 residences.



Yuhang district municipality

Yuhang district municipality has a standing partnership MOU with SBDM since 2019 jointly with Makana. This follow-up meeting was intended to further explore the cooperation opportunities; the primary discussion confirmed the following opportunities/intentions:

- ✓ Yuhang district is willing to consider supporting SBDM to have its own "experience hub initiative."
- ✓ Yuhang district is willing to further economic and cultural exchange with SBDM.
- ✓ Yuhang district encouraged more business-to-business engagement between the businesses with SBDM.

Linping district municipality

Linping district municipality was part of the old Yuhang district which was separated in 2022 to form its own municipality. A partnership MOU with SBDM jointly with Ndlambe was entered into in April 2023. The purpose of the meeting was to further explore future cooperation opportunities.

SBDM Experience Hub

There is evidence of the value and importance of multi-purpose Trade/Investment/Tourism facilities to support local economic development and explore export opportunities.

University sponsorship program

Hangzhou Normal University already indicated its willingness to co-sponsorship qualified students recommended by SBDM. Whereby, it is recommended to set up a project team headed by the Office of the Executive Mayor and supported by the Office of the MM to explore this opportunity which potentially enable first batch of students to China by August 2024.

Hangzhou Normal University (HNU) skill development project

Sarah Baartman is in partnership with Hangzhou Normal University and Yuhang District Municipality in China. Multiple advertisements were released which include newspaper, website, social media, radio, schools and university channels, post reach over 20,000 people.

Applications closed on 18th April 2024 and preliminary approval completed on 26th June 2024. There are two students that have been selected from Kouga and Makana LM to study four-year Bachelor of commerce which is an equivalent to a honors degree.

The District Municipality is partnering with Rhodes University and made use of their internal infrastructure for recruitment and selection to support the project.

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Applications closed on 18th April 2024 and preliminary approval completed on 26th June 2024. There are two students that have been selected from Kouga and Makana LM to study four-year Bachelor of commerce which is an equivalent to a honors degree.

There is a Five-year agreement between HNU, SBDM and Yuhang district municipality. This agreement will secure the maximum support from China/South African Consulate General and shall be informed to ensure support in the implementation process.

The district focuses for the next financial year CIIE participation and moving forward is to increase the appreciation and the understanding to our Local Municipalities on the benefits of inter-municipal relations between China counties/municipalities and our Municipalities.

These engagements mostly are initiated from this CIIE platform. This will ensure municipal capacity development exchange programmes are secured, technology

transfer and infrastructure in the areas of education and health is identified and imported for socio-economic development of the district.

The other biggest objective on the use of this platform is to increase Business to Business development opportunities and participation for both import and export of goods and services to attract investments and growth of the District Economy. This event should increase participation of our local business Big and small and as well as packaging appropriately District products for export markets.

The preparation administrative actions for participation in the CIIE Expo are underway, project plan developed and adhered to, supply chain and dedicated support from our finance department is secured to ensure SCM compliance.

China partnership for Dr Beyers Naude District Municipality

Sarah Baartman District hosted Jincheng Municipality delegation between 27th – 29th March 2024 which was led by the Speaker of Jincheng congress and two heads of local county were part of the delegation.

DBNM and Qinshui county signed a partnership MOU with the support of Jincheng and SBDM.

General developments

- Two private tourism partnership agreements were formed between Linchuan County and local companies in Kouga and BCRM.
- Experience hub project concept is waiting for Mayco for consideration and included in the agenda.
- Facilitating scoping with Ndlambe pilot project with BASI IT, a preliminary scope has been drafted.

The district focuses for this year's CIIE participation 2024/25 FY and moving forward is to increase the appreciation and the understanding to our Local Municipalities on the benefits of inter-municipal relations between China counties/municipalities and our Municipalities. These engagements mostly are initiated from this CIIE platform. This will ensure municipal capacity development exchange programmes are secured, technology transfer and infrastructure in the areas of education and health is identified and imported for socio-economic development of the district.

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3.14 E SARAH BAARTMAN CLIMATE CHANGE AND RESILIENT STRATEGY

Sarah Baartman District and its residents have been struggling with the effect of climate change resulting in the municipality facing an ever-increasing number of natural disasters that have caused the loss of life and damage of infrastructure and people's homes. Council has approved the following documents in the financial year under review:

- GreenBook Risk Profile Report
- Climate Change Adaptation Plan and
- Adaptation Prioritization/Planning tool

Sarah Baartman District Municipality was offered support by CSIR and Santam to mainstream Climate Change into the Municipal Processes. The support would start with the preparation of these three (3) documents, towards mainstreaming climate change in our processes.

The three documents include: GreenBook Risk Profile Report, Climate Change Adaptation Plan and Adaptation Prioritization/Planning tool prepared for the Sarah Baartman District Municipality.

A data package, with all the relevant GreenBook maps and geo-database files, as well as a Metadata catalogue, has also been prepared for the district (the District GIS unit has access to those interested)

The three documents form part of a support package designed and developed to support the district's climate change response and adaptation planning and implementation efforts. It should be noted that the Risk Profile report is not meant to replace the District's Climate Risk Vulnerability Assessment, nor is the draft Climate Change Adaptation Plan a full-fledged adaptation plan for direct implementation by the district (nor is it related to budgets).

The purpose of both the report and the draft plan is rather to build on what the district has in place, and to address some gaps by drawing from the GreenBook.

This Climate Risk Profile report, as well as the accompanying draft Climate Change Adaptation Plan, were developed specifically for Sarah Baartman District Municipality (DM), to support its strategic climate change response agenda. Both documents are primarily informed by the GreenBook, which is an open-access online planning support system that provides quantitative scientific evidence in support of local government's pursuit in the planning and design of climate-resilient, hazard-resistant settlements.

The GreenBook is an information-dense resource and planning support system offered to South African local governments to better understand their risks and vulnerabilities in relation to population growth, climate change, exposure to hazards, and vulnerability of critical resources. In addition to this, the GreenBook also provides appropriate adaptation measures that can be implemented in cities and towns, so that South African settlements are able to minimise the impact of climate hazards on communities and infrastructure, while also contributing to developmental goals

MAINSTREAMING CLIMATE CHANGE IN SBDM

For the SBDM climate change resilience and mainstreaming would mean integrating the relevant climate change response principles into all aspects of municipal planning, development, and operations.

In the context of SBDM, there are several practices that could be considered as part of a shift towards climate resilient district:

- **Climate-Resilient Infrastructure and Settlements:** The municipality could adopt design standards and practices that consider future climate change impacts, ensuring that infrastructure is resilient to these changes.
- **Green Spaces and Biodiversity Conservation:** The preservation of green spaces and biodiversity is a crucial aspect of a resilient economy. The municipality's rich landscape and seascape, Critical Biodiversity Areas, and various conservation areas, offer substantial opportunities for both biodiversity conservation and ecotourism.
- **Water Conservation and Efficiency:** As mentioned earlier, the municipality has been implementing strategies such as public awareness campaigns, leak detection and repairs, and water metering and billing, all of which contribute to water conservation and efficiency.

These best practices are not exhaustive and could be complemented by other strategies tailored to the specific context and needs of the SBDM. The key success is integrating these

principles into all aspects of municipal decision-making and operations and engaging the community in these efforts.

The proposed climate change response vision for the SBDM reads as follows:

“To become a sustainable, resilient, and low-carbon municipality that prioritizes the protection of its natural resources, promotes climate change mitigation and adaptation, and collaborates with communities and stakeholders to ensure a prosperous and equitable future for all.”

This vision is focused on creating a municipality that is sustainable and can adapt to the challenges posed by climate change. The aim is to ensure that the communities are safe, prosperous, and able to protect and preserve natural resources for future generations.

The response to climate change will be driven by innovative and cost-effective solutions that promote sustainable development and economic growth. The key to achieving this vision is through collaboration with stakeholders to ensure that climate change considerations are integrated into the planning and decision-making processes. It is important that all actions are informed by the latest scientific knowledge and best practices to build a resilient and sustainable future for the municipality.

3.14 F SARAH BAARTMAN CLIMATE CHANGE AND RESILIENT STRATEGY

The Department of Forestry, Fisheries, and the Environment (DFFE) has seconded an official to Sarah Baartman District Municipality (SBDM). The DFFE and SBDM have signed a 5year MoU from 2021 – 2026 and will be renewed every other 5years thereafter.

Key issues for 2023/2024

GREENEST MUNICIPALITY COMPETITION 2023/24 OUTCOMES

The Provincial Department (DEDEAT) in partnership with COGTA sent out formal communication to the Sarah Baartman District Municipality on the 18 May 2023. The follow-up presentation to municipalities were done by the Province during the Waste Management Forum meeting that was held on the 28 June 2023. This was followed by a presentation done at the SBDM C&EMC in the Sarah Baartman District Municipality Offices on the 04 July 2023. A presentation by DEDEAT on the GMC concept was done by regional office of DEDEAT encouraged and motivated the SBDM Municipalities to enter the competition.

The SBDM is expected to handle district GMC and come up with a district winner that will compete with other districts provincially. A Mayoral Item with an incentive of financial reward to winners and approved by Council. The SBDM local municipalities were encouraged to enter

the competition. The DFFE-LGS(SBDM) official assisted in drafting the SBDM GMC FORM 2023 that was sent to all 7LMs on the 6 July 2023. After the due date of 31 July 2024 only 4LMs entered the SBDM competition i.e. Kouga Municipality; Sundays River Valley Municipality; Ndlambe Municipality and Koukamma Local Municipality.

The technical committee sat on 14 Aug 2022 and outline a roll-out plan for assessing municipalities that entered. The committee proposed on-site meetings with each municipality followed by site tour of the towns, waste and water infrastructure.

Site dates were: 05Sep for Kouga; 06Sep for SRVM; 07Sep for Ndlambe and 08Sep for Koukamma municipalities. The Department present on the adjudication exercise were the following:

SBDM – Environmental Health services
DFFE - Local government Support
SBDM- Environmental Health
SBDM – Planning and Economic Development
DEDEAT - LED

Four out Seven LMs presented their processes more-so their submitted PoE and the adjudicating team was accompanied to site tour by municipalities.

Final assessment was done on 13 Sep 2023. The following were the outcome of the SBDM GMC 2023:

Final assessment was done on 13Sep 2023 . The following were the outcome of the SBDM GMC 2023: Municipality	Scoring	Prize
Kouga M	184	2
SRV M	248	1
Ndlambe M	183	3
Koukamma LM	131	4

SBDM overall winner for the 2023/24 GMC for the district leg was Sunday's River Valley Local municipality that won R50k and runner up R30k for Kouga and 3rd place with R20k for Ndlambe Local Municipality.

It is with great pride as a District that the Provincial GMC 2023/24 winner is SRV LM and came 1st position to scoop R500 000.

INTEGRATED WASTE MANAGEMENT PLAN

DFFE is supporting SBDM municipalities with the development of their IWMP (Integrated Waste Management Plan). Mamadi Consulting was appointed in 2023, and an introduction meeting was done virtually Aug 2023.

Currently, the DFFE with the appointed Consultant is doing waste characterization with all local municipalities to identify and quantify all waste streams that are disposed of at landfills. The waste dumping schedules were requested to all municipalities before-hand so the process was done in line with the dates the waste trucks will be collecting waste in communities and dumping waste at landfill.

Below kindly find the confirmed dates for the waste characterization sites visit in all municipalities:

Name of Municipality	Dates
First Week 29 – 02 February 2024	
Koukamma LM	Mon 29 Jan - Tue 30 Jan
Sunday Rivers LM	Wed 31 Jan
Kouga LM	Thurs 01 Feb - Fri 02 Feb
Second Week 05 – 09 February 2024	
Blue Crane Route LM &	Mon 05 Feb – Feb 06 Tues
Makana LM	Mon 05 Jan – Feb 06 Tues
Dr Beyers Naude LM	07 Wed – 09 Fri
Ndlambele LM	07 Wed - 08 Thurs

The waste characterization process will feed in the situational analysis report that will be presented to all municipality.

DFFE EPWP PROJECTS:

1.1 Municipal Cleaning & Greening # of Participants

• Dr Beyers Naude	• 311
• Ndlambe	• 131
• Koukamma	• 53
• Sundays River Valley	• 169
• Blue Crane Route	• 65
• Makana	• 119
• Kouga	• 174

The projects are extended till June 2026.

Youth Graduate Program:

All municipalities have received letters notifying of the program by 20 Nov 2023 and the presentation calling Youth Graduates participants was shared Dec 2023. Municipalities were requested to send number of participants they require (from 1 – 14). Furthermore, municipalities were requested to advertise if the youth graduate are not within their indigent list / database as per the following specifications:

- ✓ Youth between the ages Of 18-35
- ✓ Qualification- M+3 in Environmental Sciences or related Qualification will receive first preferences.
- ✓ Duration 12 months
- ✓ Stipend R286 per day.

The project is on hold due to the implementation of cost cutting by the National Treasury. Municipalities will be advised when the project resumes.

LOCAL GOVERNMENT SUPPORT OFFERED BY DFFE OFFICIAL:

The support is offered as per the outlined KPIs below as they were outlined in the introductory meeting that took place 2022 when the Official arrival to the district.

A MoA is in place as indicated in the introduction of this report covers the following KPAs:

- Facilitate the mainstreaming or integration of environmental sustainability in the IDP across all environmental themes – assess IDPs and support incorporation of environmental chapter that addresses environmental situational analysis and prioritized interventions to be outlined within the municipality prioritized programs.
- Facilitate and coordinate environmental capacity building – environmental trainings are rendered to municipalities including workshops and capacity buildings. Capacity gaps are identified via desktop assessment on municipal strategic documents and within municipality officials' interactions. Training done: Climate Change, water quality management, Alien Clearing Management and Waste Management
- Support environmental planning and management in municipalities: support municipalities on development of environmental sector plans – Climate Change Adaptation Plan; IWMP and development of Waste Bylaws
- Facilitate and coordinate environmental awareness initiatives: facilitate cleanup and greening campaigns and environmental education programs in municipalities and schools. Participate in municipality organized career expo events.
- Improve environmental governance systems within municipality: established environmental reporting structure for the district called SBDM: Coastal and Environmental Management Committee that was established 2022 and is actively sitting quarterly with the involvement of all municipalities.
- Support the planning and implementation of Environmental Management programmes and projects in municipalities: a key champion in supporting municipalities to identify environmental management projects and the involvement of municipalities in the planning and implementation of DFFE projects.

The role of DFFFE local government support to the Sarah Baartman District indicates and provides clear evidence that the partnership between SBDM and DFFE is now active and yielding results. The report also proves that the Local Government Support programme of DFFE brought to the institution is a positive one and can only improve to capacitate the institution to fill in capacity that is mostly required by our Local Municipalities. It can only improve from this evidence to bring other services/offerings of the department that the District Municipality require to complement District Development Model efforts that we champion in reference to the Oceans Economy, Agriculture, Forestry Beneficiation, and massive employment creation from the "Working for Water Project" etc.

3.15 LIBRARIES, COMMUNITY FACILITIES

COMMUNITY FACILITIES

The provision of community facilities such as sports grounds, community halls, multi-purpose centers, 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 CREMATORIALS

INTRODUCTION TO CEMETERIES AND CREMATORIALS

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

July 2023

August 2023

- 01-04 August Women's Caucus GBV Awareness program in Kenton On Sea
- 09 August 2023: Women's Month celebrations held in Alexandria
- 23-25 August 2023: SALGA Women's Commission program

- 30 August 2023: Alexandria Victim Support Centre program

September 2023

- 20 September 2023: Commission for Gender Equality (CGE): Advocacy session focus on LGBTQIA+, GBVF and Human Rights in Port Alfred
- 21 September 2023: CGE: Advocacy session-LGBTQIA+, GBVF and Human Rights held in Makhanda
- 28 September 2023: Older Persons session held in Makhanda

October 2023

- 12 October 2023: CGE Advocacy – GBVF, LGBTQIA+ and Human Right session held in Kliplaat
- 13 October 2023: Outreach program- Service on Wheels held in Kliplaat

November 2023

- 14 Nov 2023: CGE Advocacy session focus on GBVF, LGBTQIA+ and Human Rights held in Addo
- 15 Nov 2023: CGE Advocacy session _ GBVF, LGBTQIA and Human Rights held Somerset East
- 23 Nov 2023: Launch of 16 Days of Activism
- 28 Nov 2023: Anti Alcohol Abuse Campaign held in Cookhouse
- 29 Nov 2023: Treatment Literacy campaign held in Somerset East

December 2023

- 01 Dec 2023: District World AIDS Day held in Somerset East
- 05 Dec 2023: Older Person's program held in Alice

January 2024

- 29 January: Sexual Reproductive Health and Rights -school program in Mtyobo School in Port Alfred
- 30 January: Sexual Reproductive Health and Rights program in Sevenfountains farm school

February 2024

- 19 Feb: Sexual Reproductive Health and Rights held in Zuney farm school
- 26 Feb: Sexual Reproductive Health and Rights held in Jansenville Primary School

March 2024

- 12 March: TB Awareness school program held in Alexandria Primary School
- 13 March: Treatment Literacy session held in Kenton On Sea
- 18- 22 March: Door to door campaign and household testing in Kwa Nonkqubela Township Alexandria
- 26 March: Provincial World TB Day commemoration held in Port Alfred

May 2024

17- 18 May 2024: Empowerment session on TB, STI's and HIV held in Hankey in partnership with DOH and RUCC

24 May: Candlelight Memorial service in Kliplaat

28 May: Anti Alcohol and Drug abuse campaign held in Patensie

June 24

20 June: Community Dialogue on GBVF & HCT Drive held in Clarkson 21 June:

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. 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.

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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 2023/2024:

- 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.
- Implementing Agent for funds worth R7 Million Rands from DEADET to address challenges of waste management in Makana LM:
 - ✓ Procured 6-ton tipper truck,
 - ✓ 5-ton loading truck
 - ✓ 5082 E MFWD Tractor and Tractor
- 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.
- 3.
- Training of all SBDM Environmental Health Practitioners on emission management (Air Quality and Waste Management) by DFEE.
- 4.
- Created job opportunities for 25 EPWP in Paterson for a period of 6 months for clearing of illegal dumping sites

- 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.

- Planning and participating on community outreaches (imbizos) for local municipalities.

The total budget for the Environmental Health Services in the financial year 2023/24 financial year was **R 5 180 000**

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

Local Municipality	Amount
Kouga	R 3 330 000
Ndlambe	R 1 850 000
Total	R 5 180 000

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 the Partnership Performance Service Level Agreement (PPSLA) with all its seven (7) Local Municipalities. This Partnership Performance Service Level Agreement is renewed on an annual basis to formalize the fire service arrangement whereby the Local Municipality performs 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, coordination 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 cross-border agreements with neighbouring district municipalities.
- Acquisition of fire/rescue vehicles, equipment and tools.
- training fire officers, firefighters, reservists and volunteers
- Conduct education and awareness campaigns concerning 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.

Achievements in 2023/2024

Funding

Sarah Baartman District Municipality has made available an amount of **R 15 330 000.00** for Fire Services and allocation on Service Level Agreement with 7 Local Municipalities.

Municipality	Allocation
Dr Beyers Naude	R2184 000.00
Blue Crane Route	R1373 000.00
Makana	R1385 000.00
Ndlambe	R1082 000.00
Sundays River Valley	R788 000.00
Kouga	R1582 000.00
Koukamma	R1522 000.00

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



Fire awareness demonstration at Nqweba High School in Graaff Reinet -Dr Beyers Naude Local Municipality on 12 June 2024



Handing over of Fire Fighting Vehicles to Kouga LM Executive Mayor (Cllr H. Bornman) by Sarah Baartman District MEC (Cllr A. Diniso)



Handing over firefighting equipment to Kouga Local Municipality by Executive Mayor (Cllr D. De Vos)



Handing over firefighting truck to Koukamma Local Municipality by Sarah Baartman District MEC (Portfolio Cllr A. Diniso) to Koukamma Mayor (Cllr Vuso)



Handing over firefighting vehicles and a set of jaws of life to Dr Beyers Naude Local Municipality by Sarah Baartman District Executive Mayor (Cllr D. De Vos) to Dr Beyers Naude Mayor (Cllr W. Safers)



Handing over firefighting vehicle to Sundays River Valley Local Municipality by Sarah Baartman District MEC (Portfolio Cllr A. Diniso) to Sundays River Valley Mayor (Cllr S. Lucas)



Handing over firefighting equipment to Makana Local Municipality by Sarah Baartman District MEC (Portfolio Cllr A. Diniso) to Makana Portfolio (Cllr Vayo)

- Conducting Fire Awareness Campaigns in various schools.
- Entered and signed a border agreement with Garden Route District Municipality
- Training of thirty-eight (66) Fire Personnel from the 7 Local Municipalities.

- Providing funding for the procuring of fighting equipment and vehicles for:
 - ✓ Sundays River Valley Local Municipality
 - ✓ Kouga Local Municipality
 - ✓ Makana Local Municipality
 - ✓ Dr Beyers Naude 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 the 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 assessment of Disaster Risk Management in Sarah Baartman District. The desired outcome is for a coherent, transparent and inclusive approach to Disaster Risk Management consistently across multiple interest groups.

Strategic Objectives:

Sarah Baartman District Municipality has defined strategic objectives to reach the overarching goal of developing more resilient communities in the Sarah Baartman Municipal Area. One of the objectives is to improve the 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 - The Centre must identify agencies with responsibilities for the various operational activities associated with disaster response and recovery.

Objectives for 2023/2024

- Re-establishment of Local Municipality's Advisory Forum
- Appointment of safety patrollers for six schools in Kouga Local Municipality
- Establishment of Community Safety Forums for all Local Municipalities
- Conducting education and awareness campaigns in all seven local municipalities
- Response and recovery to disasters

Achievements in 2023/2024

- Re-establishment of Blue Crane Route Local Disaster Management Forum
- Employment of fourteen (14) safety patrollers in Humansdorp and Jaffrey's Bay
- Provision of relief material to disaster victims across the district municipality
- Establishments of Community Safety Forum in Blue Crane Route Local Municipality
- Education and awareness campaigns were conducted in all seven local municipalities.
- Apply for municipal disaster response grant (MDRG) for Dr Beyers Naude Local Municipality, Blue Crane Route Local Municipality, Sudays River Local Municipality, Makana Local Municipality, Ndlambe Local Municipality and Kouga Local Municipality and funding was approved by National COGTA.



Participants and stakeholders in a community awareness campaign



Search and confiscation of dangerous weapons and substances by SAPS and Safety patrol officers



Handover of Disaster Relief from Old Mutual in Partnership with SA Red Cross



Handing over of building material to flood victims in Makana LM by Dept of Human Settlements



Department of Human Settlements handing over building materials for the flood victims in Sea Vista (Kouga LM)

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 870 000.00** available for Disaster Management Services for the 2023/2024 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 the 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] is developing a Strategic Human Resource Management Plan which will provide guidance on how the Municipality would achieve the objectives in the IDP. The plan will be aligned with the organizational structure, aligns the Human Resource Management Goals and Strategies with SBDM's IDP, Provincial and National Strategies.

Priority Objectives

The Plan will include the key areas as detailed below:

Human Resource Management – Key policies were workshopped to all stakeholders including Councilors. During the Councilor induction Council policies which are for development and reviewing are workshopped to them through COGTA. This is being done to ensure that the Council can continuously improve compliance with laws and regulations and increase oversight in the daily management of the operations. Strategies to ensure understanding and proper implementation of such policies were introduced to improve communication.

Human Resources Provisioning – Recruitment and selection practices will be developed to promote efficient systems to speed up the filling of vacancies. Induction and orientation programmes will also improve and be aligned with the existing HR system. These will be implemented as an ongoing Council strategy to ensure provision and retaining of highly skilled personnel to achieve Council goals,

Provisioning for the unemployed graduates, 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.

The critical element in which was brought about the Covid 19 pandemic created several challenges that saw a new and improved way of doing things. The processes which are particularly linked to the new HR system are to make sure that the HR policies are reviewed at suggested intervals.

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.

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 at Municipal Manager's Office.

The Council wellness programmes will be implemented and will aid in improving the morale of employees. The physical Gymnasium facility was also commissioned for employee usage during the period under review.

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.

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 Minimum Competency training as determined by the Government Gazette. The training is continuous and targets 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.

As a development strategy for future Human Resources planning, SBDM has extended the programme to Supervisory level and technical employees to undergo the same training interventions.

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.

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. The above interactions followed a structured schedule of meetings which occurred under strict and robust engagement amongst the parties to achieve a common goal which is that of maintaining sound labour relations at all times.

A sound labour relations environment is maintained through regular feedback communications from the Office of the Municipal Manager on issues that matter most, from employee welfare to performance.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Employees: Human Resource Services				
Job level (TK LEVEL)	2023/2024			
	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (% of total posts)
4- 8	1	1	0	0%
9 -11	3	3	0	0%
16	1	1	0	0%
17	1	1	0	0%

Capital Expenditure 2023/2024: Human Resource Services					
Capital projects	2023/2024				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget)	Total Project value 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 has been operating since 2016 with two officials responsible for the full operational activities which include the Organizational Development, Change Management and Job Evaluation disciplines. 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 based on 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

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.

Following the appointment of the external auditor, there was an improvement in the auditing of jobs even though the matter of appeal remained unresolved.

The table below depicts the progress on job evaluated and audited during the period October 2022 to November 2024. The summary of the table indicates that since the commencement of the external Auditing process in October 2022, a total of six hundred and forty (**640**) jobs have thus far been audited with the results have been submitted to the respective Municipalities.

Responsibility:	ORGANOGRAM - MUNICIPALITIES	JEU & DJEC & Auditing				
Municipalities	Posts to grade	Jobs Graded	% jobs graded	# Jobs Audited	% Jobs Audited of jobs graded	Jobs still to be graded
Blue Crane Route	168	43	26%	43	100%	125
Dr Beyers Naudé	253	214	85%	210	98%	39
Koukamma	132	101	76%	99	98%	31
Ndlambe	258	191	74%	157	82%	67
Sundays River Valley	124	107	86%	92	86%	17
Sarah Baartman	67	46	69%	46	100%	21
Totals	990	702	71%	640	91%	288

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 Job Evaluation Final Result Outcome Appeals

Currently at SBDM, all appeals are not attended due to capacity constraints. There is also no formal structure (Appeals Committee) in place to attend to appeals. Many appeals were received from LM's and the District; however, they were not attended to due to the non-existence of the Appeals Committee. Therefore, to date, no appeals have been addressed. Strides were carried out by requesting assistance from other municipalities but with no luck.

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.

***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 must be evaluated in the district is substantial. It is acknowledged with appreciation that the members of the DJEC must 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. Overall, the status of job evaluation has improved, however the matter of dealing with appeals is still a major challenge.

3.30 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

1. **Below is the status with regards to compliance of Corporate Governance Information Communication Technology Policy Framework (CGICTPF), as per the ICT Policies Master Plan:**

1.1. Overview of Sarah Baartman District Municipality with regards to implementation of ICT Governance:

The purpose of the Municipal Corporate Governance ICT Policy Framework is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within municipalities. This Municipal Corporate Governance ICT Policy Framework provides the Municipal Council and Management within a municipality with a set of principles and practices that must be complied with, together with an implementation approach to be utilised for implementation of ICT Governance within Municipalities.

The Sarah Baartman District Municipality has implemented the Municipal Corporate Governance of ICT Policy Framework **Phase one (1)** which is the Enabling Environment. Therefore, has established Corporate Governance of ICT environment through the adoption of the Municipal Corporate Governance of ICT Framework Policy and its associated policies through Council resolution. In addition, the Municipality has implemented **Phase two (2)** which is the Business and Strategic Alignment. Therefore, upon development of the ICT Strategy and Implementation Plan, which was adopted by the Council, that process has ensured implementation of ICT governance and alignment with the Municipal objectives where the ICT Steering Committee plays oversight in ensuring that the goals of the Municipality are implemented through ICT.

The Municipality is now in **Phase three (3)** of the Municipal Corporate Governance of ICT Policy Framework, where continuous Improvement maintained and ensured by the Institution and ICT. Therefore, the Municipality is at the stage of an on-going process to achieve continuous improvement of all elements related to the Governance of ICT.

The Corporate Governance of ICT Policy Framework allows municipalities to maintain alignment of strategic ICT functions to meet their needs and apply good practices to reduce costs and increase the effectiveness of the ICT service delivery to the municipality.

1.1.1. Approved and implemented ICT Corporate Governance Policy Framework:

The ICT Corporate Governance Policy Framework Policy enable organisations to manage their ICT risks effectively and ensure that the activities associated with information and technology are aligned with their overall business or Municipal objectives.

Status:

The ICT Corporate Governance Policy Framework has been reviewed, updated, and adopted by Municipal Council on the 19th of October 2022.

1.1.2. Approved and implemented Municipal Corporate Governance of ICT Charter:

The purpose of the Municipal Corporate Governance of ICT Policy is twofold; firstly, it guides the creation and maintenance of effective enabling governance structures, processes and practices as dictated by the Municipal Corporate Governance of ICT Policy. Secondly, the Charter also clarifies the governance of ICT-related roles and responsibilities towards achieving the municipality's strategic goals.

The Charter depicts how the Municipal Corporate Governance of ICT Policy will be implemented and describes the related structures, processes, functions, accountability, roles and responsibilities, delegations and reporting responsibilities. The Charter has been customised to accommodate the Municipal unique operating environment, whilst ensuring the principles of the Municipal Corporate Governance of ICT Policy are maintained.

Status:

The Municipal Corporate Governance of ICT Charter Policy has been reviewed, updated, and adopted by Municipal Council on the 19th of October 2022.

1.1.3. Approved and implemented ICT Steering Committee Charter

The ICT Steering Committee plays one of the key ICT governance roles within the Municipality and as such it is necessary to describe the role and responsibilities of the Committee and the membership and meeting structure that suits the needs of the Municipality. ICT Steering Committee policy determines the Terms of Reference for its ICT operation that is relevant to the municipality.

Status:

The ICT Steering Committee Charter policy has been reviewed, updated, and adopted by Municipal Council on the 19th of October 2022.

1.1.4. Governance Champion designated and responsibilities allocated.

The role and responsibilities of the Governance Champion is designation or delegated to the ICT Manager which is the new position on the organogram.

1.1.5. A proficient ICT Manager or CIO appointed functioning at strategic level

Referring to compliance to the above-mentioned requirements especially on ICT Manager, the Job Evaluation Unit which forms part of the Corporate Services Department has reviewed, updated the old Municipal Organogram. Therefore, the new updated Organogram has been adopted by the Municipal Council of the 26th of July 2023 and includes the ICT Manager position effective from the financial year of 2024 of 2025.

1.1.6. Approved and implemented Risk Management Policy

The objective of performing risk management is to enable the municipality to accomplish its mission(s)

- By better securing the IT systems that store, process, or transmit municipal information
- By enabling management to make well-informed risk management decisions to justify the expenditures that are part of an ICT budget
- By assisting management in authorizing (or accrediting) the IT systems based on supporting documentation resulting from the performance of risk management.

Status:

The Risk Management Policy has been reviewed, updated, and adopted by the Municipal Council on the 19th of October 2022.

1.1.7. Implemented Internal Audit Plan that includes ICT audits.

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.

1.1.8. Approved and implemented ICT Management Framework.

The ICT Management Framework aims at ensuring that Municipalities manage their IT risks effectively and in line with the overall business objectives. ICT governance frameworks enable organisations to produce measurable results toward achieving their ICT strategies and goals.

Status:

The ICT Management Framework Policy has been reviewed, updated, and adopted by Municipal Council on the 25th of January 2023.

1.1.9. Approved and implemented municipal Portfolio Management Framework that includes ICT portfolio/programme and project management.

The ICT Portfolio / Project Management Policy Framework describes the Department Policy Framework regarding the management of all Information Technology Projects that may be undertaken with the Finance Department (Information Communication Technology Services Unit).

The objective of the policy is to ensure that projects are effectively managed within the limitation of scope, quality, resources (Time and Budget and Risk), and that appropriate governance and control is established.

Status:

The Portfolio Management Framework Policy has been reviewed, updated, and adopted by the Municipal Council on the 25th January 2023

1.1.10. Approved ICT Disaster Recovery Plan informed by Municipal Continuity Plan and Strategy

The ICT Disaster Recovery Plan has been incorporated in the Business Impact Analyses, Backup and Disaster Recovery Plan Policy.

The Business Impact Analyses, Backup and Disaster Recovery Plan (BIABDRP) Policy firstly has incorporated within the document the Business Impact Analyses which predicts the consequences of disruption of a business or Municipal function and process and gathers information needed to develop recovery strategies. Potential loss scenarios must be identified during a risk assessment which must be completed annually, which includes vulnerability testing. Secondly, the document Includes the Backup procedures to mitigating loss of Municipal data, information, and thirdly includes the Disaster recovery plan which ensures that there is Municipal business continuity, and that the services of the Municipality are not affected by system, software, or hardware failures. That proactive measures are put in place to ensure that the Municipal Systems are secured 99.99% (seven (7) days a week and 365 days a year).

Status:

The Business Impact Analyses, Backup and Disaster Recovery Plan Policy has been reviewed, updated, and adopted by Municipal Council on the 26 July 2023.

1.1.11. Approved and implemented Data Backup and Recovery policy.

The Data Backup and Recovery policy has been incorporated in the Business Impact Analyses, Backup and Disaster Recovery Plan Policy.

The Business Impact Analyses, Backup and Disaster Recovery Plan (BIABDRP) Policy firstly has incorporated within the document the Business Impact Analyses which predicts the consequences of disruption of a business or Municipal function and process and gathers information needed to develop recovery strategies. Potential loss scenarios must be identified during a risk assessment which must be completed annually, which includes vulnerability testing. Secondly, the document Includes the Backup procedures to mitigating loss of Municipal data, information, and thirdly includes the Disaster recovery plan which ensures that there is Municipal business continuity, and that the services of the Municipality are not affected by system, software, or hardware failures. These proactive measures are put in place to ensure that the Municipal Systems are secured 99.99% (seven (7) days a week and 365 days a year).

Status:

The Business Impact Analyses, Backup and Disaster Recovery Plan Policy has been reviewed, updated, and adopted by Municipal Council on the 26 July 2023.

1.1.12. Approved and implemented ICT Service Level Agreement Management policy (External).

The ICT Service Level Management Policy External recognizes that municipalities are diverse in nature and therefore adopts the approach of establishing and clarifying principles and practices to support and sustain the effective control of service level agreement management, the policy covers the supply of ICT hardware, software, services and personnel.

This policy is regarded as crucial to the operation and security of ICT systems of the Municipality. Municipalities must develop their own Service Level Agreement controls and procedures by adopting the principles and practices put forward in this policy.

The policy covers the following elements of service level agreement management of external service providers/vendors:

- Agreement with service providers/vendors;
- Service management; and
- Change control

Status:

The ICT Service Level Agreement Management policy (External) has been reviewed, updated, and adopted by the Municipal Council on the 25th of January 2023.

1.1.13. Approved and implemented ICT Service Level Agreement Management policy (Internal).

This ICT Service Level Agreement Policy has been developed to guide and assist municipalities to be aligned with internationally recognised best practice standards. This policy applies to the Municipal Manager and the IT System Administrator involved in setting and managing service levels between ICT and the Municipality.

This policy is regarded as being crucial to the operation and security of ICT systems of the Municipality. Municipalities must develop their own Service Level Agreement, Management controls and procedures by adopting the principles and practices put forward in this policy.

The policy covers the following elements of service level agreement management between ICT and the Municipality:

- Agreement between Information Technology Services Unit and the Municipality; and
- Service management

Status:

The ICT Service Level Agreement Management policy (Internal) has been reviewed, updated, and adopted by the Municipal Council on the 25th of January 2023.

1.1.14. Approved and implemented ICT User Access Management policy.

The purpose of this policy is to prevent unauthorised access into Municipality information systems. The policy describes the registration and de-registration process for all SBDM information systems and services. The policy applies to new

employees, exiting employees and a change in access requirements in terms of changes in employee's positions or responsibilities.

The objective of this policy is to define the user access management control measure for the Municipal ICT Systems, information and infrastructure. The main objective of this policy is to provide the Municipality with the best practice User Access Management controls and procedures to assist the Municipality in securing their user access management procedure.

Status:

The User Access Management Policy has been reviewed, updated, and adopted by the Municipal Council on the 26 July 2023

1.1.15. Approved and implemented ICT Change Management and Control Policy.

The purpose of the policy is to ensure the implementation of change management and control strategies to mitigate associated risks such as:

- Information being corrupted and/or destroyed;
- Computer performance being disrupted and/or degraded;
- Productivity losses being incurred; and
- Exposure to reputational risk.

Status:

Change Management Control has been reviewed, updated, and adopted by Municipal Council on the 25 January 2023.

1.1.16. Approved and implemented ICT Operating System Security Controls policy.

The objective of the policy is to reduce and/or prevent the risk of damage that can be caused to the Municipality's ICT systems, information, and infrastructure. This policy seeks to outline operating system security controls for SBDM Municipal employees to ensure that the controls are applied correctly to all devices and are in line with best practice.

Status:

The ICT Operating System Security Control Policy has been reviewed, updated, and adopted by the Municipal Council on the 19 October 2022.

1.1.17. Approved and implemented ICT Code of Conduct

The administrative Code of Conduct statement sets forth the Code of Conduct of Municipality regarding use of, access to, and disclosure of electronic mail and network resources to assist in ensuring that the municipal resources serve those purposes.

Status:

The ICT Code of Conduct Policy has been reviewed, updated, and adopted by the Municipal Council on the 2 December 2024.

1.1.18. Approved and implemented ICT Firewall Management Policy

The Policy Is designed to prevent unauthorized access to or from a private network through protecting and controlling both internal and external connections based on applied rules and configurations on the network it exists both as software to run-on general-purpose hardware and as hardware appliance.

Status:

The ICT Firewall Management Policy has been reviewed, updated, and adopted by Municipal Council on the 27 March 2024.

1.1.19. Approved and implemented Incident Response Plan Policy

The Policy is documented to provide a well-defined, organized approach for handling any potential threat to computers and data, as well as taking appropriate action when the source of the intrusion or incident at a third party is traced back to the organization. The Plan identifies and describes the roles and responsibilities of the Incident Response Team. The Incident Response Team is responsible for putting the plan into action.

Status:

The Incident Management Policy including the Incident Response Plan were reviewed, updated, and adopted by Municipal Council on the 25th of January 2023.

1.1.20. Approved and implemented Incident Management Policy

The aim of this policy is to ensure that the Municipality reacts appropriately to any actual or suspected security incidents relating to information systems and data.

This document applies to all the Municipal Employees, Councillors, contractual third parties that utilize the Municipality ICT facilities and equipment or have access to the information of the Municipality. All users must understand and adopt use of this policy and are responsible for ensuring the safety and security of the Municipal systems and the information that they use. All users have a role to play and a contribution to make to the safe and secure use of technology and the information that it holds

Status:

The Incident Management has been reviewed, updated, and adopted by the Municipal Council on the 25th of January 2023.

1.1.21. Promotion Of Access To Information Act And protection Of Personal Information Act (POPIA) Compliance Policy

POPIA aims to promote the protection of privacy through providing guiding principles that are intended to be applied to the processing of personal information in a context-sensitive manner. A person's right to privacy entails having control over his or her personal information and being able to conduct their affairs relatively free from unwanted intrusions.

Given the importance of privacy, Sarah Baartman District Municipality (SBDM) is committed to effectively managing personal information in accordance with the provisions of POPIA.

The purpose of this policy is to enable SBDM to:

- Comply with the law in respect of the data it holds about.
- Following industry best practices with regards to the protection of personal information.
- Protect SBDM Councillors, staff and third parties.
- Protect SBDM from the consequences of non-compliance i.e. Litigations.

Status:

The Promotion of Access to Information Act and Protection of Personal Information Act (POPIA) Compliance Policy according to the Internal Auditors recent finding, the previous version did not fully cover weaknesses in Classification of Data, Classification into data handling processes based on its sensitivity, importance, and confidentiality and therefore the policy has been updated, must be submitted to the ICT Steering Committee upon review by Manager Legal, then submitted to the Mayoral Committee for the recommendation of Council Approval.

1.1.22. Approved and implemented ICT Strategy and Implementation Plan

The ICT strategy has been developed and delivered on phase one (1) and phase two (2) of the Municipal Corporate Governance of Information and Communication Policy. The ICT strategic goals must be aligned with the municipality's strategic goals, and Integrated Development Plan (IDP) and support the municipal processes. The ICT Strategy covers a period of five years from 2022 until 2027, has included all the ICT related projects for the purpose of ensuring that return on investment (ROI) is realized, and value for money.

Status:

The ICT Strategy and Implementation Plan (2022 – 2027) has been reviewed, updated, and adopted by Municipal Council on the twenty sixth (26) July 2023.

1.1.23. Approved and implemented ICT Operational Risk Register

The ICT Operational Risk Register encompasses all the risk within the ICT Section and is an operational updated document for ICT to mitigate risk. These risks are incorporated in the institutional Risk register for monitoring and evaluation by the Management.

1.1.24. Implemented Enterprise Architecture Plan (IEAP)

The Enterprise Architecture Plan is a holistic view of the organization's structure, processes, systems, and data. It defines the current and future state of the organization (Municipality), and the principles, procedures and standards that guide its progress. Enterprise Architecture helps to align the organization's strategy, vision, and values with its ICT capabilities. Enterprise Architecture also provides a framework for governance, compliance, and change management.

Status:

The Enterprise Architecture Plan (EA) has been prepared by the Information Communication Technology Services Unit for the purpose of compliance.

1.1.25. Implemented ICT Migration Plan

The purpose of the Migration Plan document is to provide guidelines associated with the migration and capturing of data for use by computerized systems to be developed and commissioned. This is to assist projects to make provisions for a fast and efficient way of preparing and collecting quality data, at a cost-effective price, supporting the required project schedule and ready for loading into the new computerized system covering:

- Data.
- Processes and Procedures.

- Legislation.

Status:

The ICT Migration Development Plan to be developed by 31 March 2024, and for the purpose of compliance

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.

Status

All the legacy Hardware Servers have been successfully replaced, and are now running on latest Operating System which is Windows Server 2022, and are able to received Microsoft Security updates, the line of business applications (LOB) such as Sage People (HR and Payroll) System and its databases migrated successfully, Municipal Finance System (APPX) and its database migrated successfully, ArcGIS Systems and its database migrated successfully, Jarrison Time and Attendance and its database migrated successfully, and File Server which has Municipal data and Information, the actual data was migrated successfully with no loss of data or information.

b) Network Infrastructure

- Switches:

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

Status

The five (5) Access Cisco Switches, inclusive of the one (1) Core Cisco Switch which are the back end of the Municipal Network for provision of Internet and network have been successfully replaced on the 27th of October 2023.

- Cisco 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 into should the router become faulty so that it can be replaced immediately.

Status

The Cisco Voice Router, inclusive of the Call Manager Server, and Municipal IP Telephones has been replaced as part of the project Bid 18/2023 Supply Delivery Installation and Commissioning of an Integrated IP PABX Telephone in July 2024. The project includes the Telephone Management System.

- 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 the financial year 2023/2024.

Progress **(Complete)**:

The FortiGate 100 D firewall has been replaced.

- Internet Gateway: The two (2) Internet routers for provision of Internet redundancy, failover ensure that the Municipality does not have Internet downtime. The two (2) Internet routers belong to the Internet Service Provider (ISP); therefore, it is under the ISP warranty. Therefore, these two (2) items do not have to be replaced by Sarah Baartman District Municipality

c) Power Infrastructure

- MGE Un-Interrupted Power Supply (UPS) System: The Un-Interrupted power supply (UPS) was required by the Municipality (SBDM) as part of the process to mitigate power failure due to loadshedding that may interrupt the servers. The old UPS systems were commissioned in the year 2014 and have reached their lifespan.

The Un-Interrupted power supply (UPS) will provide and keep power running on the servers, firewalls, cisco switches and give the Municipal Generator enough time to switch on and continue to provide power to all the ICT Infrastructure and the rest of the building.

Progress **(Complete)**:

The Un-Interrupted Power Supply (UPS) has been replaced.

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

3.1. The Municipalities Financial System is required to be mSCOA compliant by National Treasury, which meant that Municipal Finance Systems must have the following modules:

3.1.1. Seamless Integration with third party System (Sage People HR and Payroll System)

The Municipality has complied with the requirements of National Treasury, Municipality developed the Municipal Financial System Accounting module to be able to interface with the third-party applications seamlessly (Sage People HR and Payroll System) as that was the objective which was completed in September 2019.

3.1.2. Seamless Integration with Asset Management System (AMS 360 System)

The Municipality has completed the Interfacing development of the Financial System with the Asset Management System (AMS360), from a Municipal Finance System (APPX) perspective. The reconciliation is currently done for Asset Management System (AMS 360) Fixed Asset Register (FAR) with the excel Fixed Asset Register (FAR).

The municipality must ensure functionality of the module and fully utilise the Asset Management System.

3.1.3. Seamless Integration with Central Supplier Database (CSD)

The Municipality has complied with the requirements of the National Treasury. Municipality developed the Municipal Financial System to be able to seamlessly integrate with the National Treasury Central Supplier Database (CSD). There project milestone was successfully completed and went live on the 1st of July 2022. 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.

3.1.4. IDP/SDBIP Module

- The Programs have been approved and transferred to live.
- IDP and SDBIP population have been completed.
- The quarterly reporting with Project Managers commenced as of January 2024.
- The Project Managers get email auto alerts, with regards to populating progress on Municipal Projects.

3.1.5. Budget Module

The Municipality has complied with the requirements of National Treasury, Municipality developed an mSCOA compliant budget module in the year 2019, as that was the objective.

3.2. OVERALL, VIEW WITH REGARDS TO MSCOA COMPLIANCE STATUS OF THE MUNICIPALITY

The Sarah Baartman District Municipality has complied with the mSCOA requirements and managed to cater and developed the crucial core components mentioned below:

- Seamless Integration with the Central Supplier Database (CSD).
- IDP/SDBIP Module and procedures.
- Schedule generations
- Adjustment budget procedures
- Yearend procedures
- Items Classification Funding Allocations and all their segments.
- Financial Accounting
- mSCOA System change management procedures
- General Ledger as per mSCOA regulation
- Billing for municipalities
- Procurement, Supply Chain Management Module that complies with regulation, and procedures
- Budget module and procedures
- HR and Payroll module with leave management (integration with third party application)
- Extraction and loading of the segmented transactional string directly to the National Treasury local government Database (LG Database)
- The System can reflect all six (6) the mandatory mSCOA segments at a transactional level (currently in use), without any mapping or extrapolation or any other manual intervention. The seventh mSCOA segment (Costing segment) to be made mandatory at a date to be determined by National Treasury
- Extract schedules and documents in PDF format, containing ALL sheets as prescribed and with each worksheet displaying an embedded system stamp to certify that it has been produced directly from the system
- Contract management, including: – Performance contracts for senior management and all levels of municipal officials
- The system can produce seamless reporting against the service delivery-and budget implementation plan (SDBIP) inclusive of financial performance indicators
- Business intelligence reporting solutions that as a minimum assist the municipal manager to implement, monitor and comply with MFMA section 70 (Impending shortfalls, overspending and overdrafts)
- The system is able to incorporate new chart versions as and when National Treasury releases them
- The System Fulfills all legislative mSCOA requirements
- Integration with application for drafting Annual Financial Statements
- Retired GUID's to be highlighted proactively
- Full Description of ITEM GUID (Different Levels) to be displayed on various reports and input programs

- Central Supplier Database (CSD) Flagging at Requisition Stage regarding up-to-date Good Standing and Service of the State employees
- Maintaining Automation of Preferential Points
- The system can reflect on Review of Creditor Accruals
- Ensure the system can utilize and change the Automated Bank Reconciliation System
- Grant Management System Automation
- Ensure the system can produce Fund GUID Accumulation
- Investment Tracking System to feed directly into the strings
- Ensure the System can execute Trial Balance from MSCOA point of view (ITEM and FUNCTION using full Descriptions on downloads)
- M12/M13/M14/M15 Block to be implemented with date so Journals cannot be updated by mistake
- Accumulative year to date strings for actuals with controls
- The system requires internal controls and must generate automated reports.

The mSCOA System response time is efficient and quick with regards to generating of schedules. Therefore, there are no delays when the mSCOA System is operating and the fact that the system is workflow driven.

Project Service Level Agreement Tracker – Workplan Year 1 Planned Hours

Period from 15 October 2024 until 14 October 2025					
Milestones - SLA	SLA Item	Period from 15 October 2024 until 14 October 2025+F3:F19	Development	Operational	Difference
Support (2024/2025)	General Support Items	40.0	10	30	0.0
Development / Improvement of Systems	Bank Reconciliation	16.0	10	6	0.0
Support (2024/2025)	Contract Register	8.0	5	3	0.0
Reports (Schedules Amendments, Alignment and Strings)	Core and non-core GUID's	8.0	5	3	0.0
IDP/SDBIP	IDP/SDBIP	16.0	10	6	0.0
Development / Improvement of Systems	Fleet Management	32.0	22	10	0.0
Development / Improvement of Systems	Cheque Request and Payment Certificates	32.0	22	10	0.0
Reports (Schedules Amendments, Alignment and Strings)	All Schedule/Strings related support	16.0	10	6	0.0
Support (2024/2025)	Investment Monitoring and Strings	8.0	5	3	0.0
Support (2024/2025)	Business Processes Workshops Analysis	0.0			0.0
Support (2024/2025)	Other Hours and Meetings	20.5	5	15.5	0.0
	Total SLA Hours	196.5	104	92.5	0.0
	Total number of allowed hours	196.5			
	Remaining Hours	0.0			

Summary

At this stage there are no challenges with the timeline.

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:

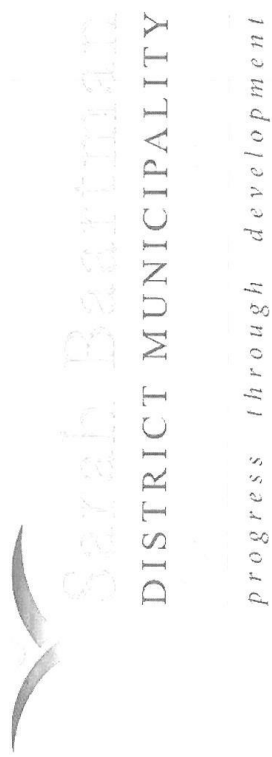
All investments are made on property belonging to local municipalities. These have become assets of the local municipalities.

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

ANNUAL PERFORMANCE REPORT

2023/2024

[illegible]

[illegible]

ACCOUNTING OFFICER:

Date: _____

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	2023/2024	2023/2024			
	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	4	4	4	0	0
Roads and Transport	0	0	0	0	0
Planning	3	3	3	0	0
Local Economic Development	0	1	0	1	100
Environment Protection (EHS)	13	14	13	1	7
Corporate Services	16	19	16	3	15.8
Disaster Management /Fire	8	10	8	2	20
Office of Municipal Manager	12	12	12	0	0
Finance	12	16	12	4	25
Infrastructure Services	1	1	1	0	0
Totals	70	81	70	11	13.98
Vacancy rate: 2023/2024					
Designations	Total approved posts		Vacancies		% Vacancies
Municipal Manager	1		0		0

CFO	1	0	0
Other S57 Managers (excl Finance posts)	2	1	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)	13	1	7.6
Professionally Qualified & Experienced Specialist/Mid Management TK 14 – 18 (Finance posts)	2	2	100
Skilled Technical & Academically Qualified /Junior Management TK 9-13 (excl Finance posts)	31	2	6
Skilled Technical & Academically Qualified /Junior Management TK 9- 13 (Finance posts)	11	2	18
Total	64	8	20.17

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 the Accounting Officer 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 was last reviewed and approved by Council in 2022/2023 financial year.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Over the course of the year, 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	Average sick leave per employee	Estimated cost
Professionally qualified and experienced	89	39	11	11		To be determined
Semi-skilled and discretionary decision	284	79	28	27		To be determined
Senior management	45	6	3	3		To be determined
Skilled technical and academically qualified	326.5	95	38	38		To be determined
Top management	19	1	1	1		To be determined
Unskilled and defined decision making	38	7	1	1		To be determined

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
Abuse of Sick Leave	23 August 2023	Finalised but on review	Resignation of Chairperson and Prosecutor.	N/A
Bringing the name of the Municipality into disrepute	19 January 2024	Ongoing	Sick leave, and resignation of Chairperson and Prosecutor.	N/A

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE AWARDS

Performance reviews with panels for MM and Sec 57 must still be constituted for 2023/24 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 to train employees.
- A budget is set aside annually for training 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.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Programs

NO	Name of Learning Intervention	Type of Learning Intervention	Total Number Beneficiaries	Names of Beneficiaries
1	Report Writing	Skills Programme	2	Siyabonga Madwe Zanele Mnyaka
2	Municipal Financial Management – Partial and Full	Qualification	9	Khayaletu Fana

3	Waste Management	Skills Programme	1	Nombuyiselo Sideba
4	Fundamentals II	Skills Programme	1	Cindy Jacobs
5	Facilitation Skills II	Skills Programme	1	Cindy Jacobs
6	Project Management	Skills Programme	2	Laetitia Erasmus Tembukazi Mafongosi
7	Emotional Intelligence	Skills Programme	1	Clarissa Bender
8	Communications	Skills Programme	1	Veronica Ngingi
9	Minute Taking	Skills Programme	1	Zanele Mnyakama
10	SDF II	Skills Programme	1	Cindy Jacobs
11	Time Management	Skills Programme	1	Zanele Mnyakama
12	MS Excel Advanced	Skills Programme	1	Gerain David Pam Cetwayo
13	Labour Relations In the Workplace	Skills Programme	4	Tembukazi Mafongosi Laetitia Erasmus Deon De Vos

				Adriaan Van Heerden
14	Digital Marketing	Skills Programme	1	Siya Madwe
15	Auto CAD	Skills Programme	1	Sibusiso Dudula
16	MS PowerPoint Basic	Skills Programme	1	Michael Bendle
17	Water Care	Skills Programme	1	Sibusiso Dudula
18	Taxation	Skills Programme	1	Pam Cetywayo
19	MS Azure Fundamentals	Skills Programme	1	Dale Kramer
20	Public Speaking	Skills Programme	3	Gerain David Pam Cetywayo Clarissa Bender
21	MS Packages Level 1	Skills Programme	1	Veronica Ngingi
22	MS Excel Intermediate Training	Skills Programme	2	Tembukazi Mafongosi Lwando Mcako
23	MS PowerPoint Advanced	Skills Programme	1	Michael Bendle
24	Sage Payroll Administration	Skills Programme	2	Tembukazi Mafongosi Pam Cetywayo
25	MS Packages Level 2	Skills Programme	1	Nasmien Khan
26	Drone	Skills Programme	2	Surprise Mkhathswa Mlamleli Maqokolo

27	HACCAP	Skills Programme	3	Johannes Hermanus Esterhuizen Nombuyiselo Sideba Malcom Grant
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FULL QUALIFICATION

NO	QUALIFICATION	TOTAL NO BENEFITED	INSTITUTION	Name of delegate
1	MASTERS IN DISASTER MANAGEMENT	1	UNIVERSITY OF FREESTATE	Nolubabalo Mtshakazi
2	BACHELOR OF BUSINESS ADMINISTRATION	1	STADIO HIGHER EDUCATION	Nonkululeko Mahlobo
3	POST GRADUATE DIPLOMA IN PUBLIC HEALTH	1	UNIVERSITY OF PRETORIA	Ncumiso Qolo
4	BA DISASTER AND SAFETY MANAGEMENT	1	LYCEUM	Dambile Mbolekwa
5	BA PUBLIC ADMINISTRATION	1	MANCOSA	Speaker Nomhle Gaga
6	ADVANCED DIPLOMA IN HEALTH MANAGEMENT	1	CENTRAL UNIVERSITY OF TECHNOLOGY, FREESTATE	Siyavuya Gumbi

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 2023/24 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 2023/24 MTREF was approved after stakeholder and community consultation by Council on 24 May 2023.

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 18th consecutive Unqualified Audit Opinion from the Auditor-General.

ASSET AND LIABILITY MANAGEMENT

Assets

The total assets of the municipality amount to R275.6 million with the current assets amounting to R224.3 million and the non-current assets amounting to R51.3 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 R25.5 million for the financial year. An amount of R6.4 million was spent which equates to 25% 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 R93.0 million with the current portion amounting to R38.7 million and the long-term portion R54.3 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 R31.1 million. Of this amount, R0.5 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 R140.4 million with 83% attributable to government grant and subsidies and 14% 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 36 883 000
Levy Replacement Grant	R 73 420 000

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 2 405 000
Expanded Public Works Grant	R 2 181 000

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

Expenditure

The actual expenditure incurred amounts to R153.4 million for the financial year, which resulted in a deficit of R12.9 million for the 2023/24 financial year.

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 R11.7 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 25.5 mil	R6.4 mil	25%
2	Salary budget as a percentage of the total operational budget	R299.3 mil	R76.3mil	25%
3	Total municipal own revenue as a percentage of the total actual budget	R88.4 mil	R2.2 mil	2.4%
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	22%		
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		

FINANCIAL INDICATORS			
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
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	75%	78%
GRANT MANAGEMENT			
2.1	Percentage under-spending of conditional grants received	Not under-spent	Not under-spent
EXPENDITURE MANAGEMENT			
3.1	Creditor-payment period	16 Days	52 Days
REVENUE MANAGEMENT			

FINANCIAL INDICATORS			
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
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	29%	59%
ASSET AND LIABILITY MANAGEMENT			
5.1	A deficit for the year was realised (total expenditure exceeded total revenue)	Yes	Yes
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	0.2%	0.3%
5.5	Percentage of loan receivables (loans awarded) and/or investments impaired	0%	0%
CASH MANAGEMENT			
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	66%	38%
6.4	Creditors as a percentage of cash and cash equivalents	30%	39%
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	n/a	n/a
6.8	Employee benefit obligation as a percentage of net cash inflows for the year from operating activities	6.30	8.14

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.

CHAPTER 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A

6.1. AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2022/2023

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.

Report on compliance with legislation
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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

COMPONENT B

6.2. AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2023/24

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

34. I have audited the consolidated and separate financial statements of the Sarah Baartman District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
35. 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 2024 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 2023 (Dora).

Basis for opinion

36. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
37. 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.
38. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

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

Unaudited disclosure note

40. 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 financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

41. The supplementary information set out on pages ... to ... does not form part of the 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

42. 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.
43. 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

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

Report on the annual performance report

46. 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.

47. I selected the following material performance indicators related to basic service delivery and infrastructure development, presented in the annual performance report for the year ended 30 June 2024. 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.

- Monitoring compliance with water quality monitoring requirements at Addo Water Treatment Works, Kirkwood Water Treatment Works and Enon-Bersheba Water Treatment
- Upgrade of M Street and Albert 4.1 km in Makhandla and Rehabilitation of Ring Rd in Riebeeck East 1,2 km –
- Pothole patching in various areas in Makana
- Clearing of illegal dumping sites, provision of communal refuse bins and conducting community clean-up awareness programmes in Paterson, Sundays River Municipality, including recruitment of 15 community workers –
- Training of fire services personnel for local municipalities through a service provider

48. 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.

49. I performed procedures to test whether:

- All the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objective included
- 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.

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

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

Other matter

52. I draw attention to the matter below.

Achievement of planned targets

53. The annual performance report includes information on reported achievements against planned targets explanations for over- or under achievements.

54. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

Development Priority: Basic Service Delivery and Infrastructure

<i>Targets achieved: 63%</i> <i>Budget spent: 30%</i>		
Key indicator not achieved	Planned target	Reported achievement
Development of Stormwater Master Plans for 5 municipal areas(towns) in Local Municipalities (Blue Crane, Makana, Ndalmbe, Kouga, Sundays River Valley and Koukamma), Development of Stormwater Management By-law for All Local Municipalities	Development of Stormwater Master Plans for 5 municipal areas(towns) in Local Municipalities (Blue Crane, Makana, Kouga, Sundays River Valley and Koukamma), Development of draft Stormwater Management By-laws for 5 Local Municipalities	Development of Draft Stormwater Master Plans for 5 municipal areas(towns) in Local Municipalities (Blue Crane, Makana, Kouga, Sundays River Valley and Koukamma) completed
Upgrading of M Street and Albert 4.1km in Makhanda and Van Beeren (Ring Rd) in Riebeeck East 1,2km	Upgrading of M Street and Albert Street 4.1km in Makhanda and Upgrading of Van Beeren St (Ring	Upgrading of M Street and Albert Street 4.1km in Makhanda contractor appointment was delayed

	Rd) in Riebeeck East 1,2km	and site handover was only done in May 2024, project is still on site establishment phase and ripping of existing tar road. Upgrading of Van Beeren St(Ring Rd) in Riebeeck East 1,2km is on practical completion stage
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Report on compliance with legislation

55. 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.
56. 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.
57. 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.
58. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

59. Reasonable steps were not taken to prevent irregular expenditure amounting to R11, 8 million as disclosed in note 36 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

60. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1) (a) and (c).
61. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were

approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

Other information in the annual report

- 62. 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.
- 63. 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.
- 64. 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.
- 65. 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

- 66. 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.
- 67. The matters reported below is limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.
- 68. Leadership 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.
- 69. Leadership did not effectively fulfil its oversight responsibilities on the implementation and monitoring of internal controls and compliance with laws and regulations.

East London

10 December 2024



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's 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's 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.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
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), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 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)
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)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) Parent municipality with ME: Sections: 93B(a), 93B(b) Parent municipality with shared control of ME: Section: 93C(a)(iv), 93C(a)(v)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
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: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(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), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

6.3 RESPONSE TO THE AUDIT REPORT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

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 financial position of the Sarah Baartman District Municipality as at 30 June 2024 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 2023 (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 2024:

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 R11, 8 million as disclosed in note 36 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

Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1) (a) and (c).

Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

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	78%	0%
Galada X	PT	-	Dr Beyers Naude	67%	11%
Van Heerden A	PT	MPAC	Dr Beyers Naudé	78%	11%
Foley R	PT	-	Kouga	67%	33%
Bornman CH (resigned...)	PT	-	Kouga	0%	0%
Heystek AS (replaced Bornman September 2023)	Cr	-		38%	50%
Gunuza-Batyi (Ms)	VP	MPAC Women's Caucus Remuneration Committee	Kouga	89%	0%
Valgee M (Ms)	PT	MPAC Women's Caucus	Kouga	89%	0%
Krige R	PT	Women's Caucus	Koukamma	44%	33%
Sikiwe N (Ms)	PT	MPAC Women's Caucus	Koukamma	100%	N/A
Booyesen M	PT	MPAC	Makana	55.5%	0%
Cetu Z (Ms)	PT	Women's Caucus	Makana	100%	N/A

Madyo XG	PT	-	Makana	78%	11%
Khungwayo P	PT	MPAC	Ndlambe	100%	N/A
Runeli X	PT	MPAC	Ndlambe	78%	0%
Venene S	PT	-	Ndlambe	100%	N/A
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	89%	11%
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
Diniso AW	FT	Mayoral Committee	ANC	100%	N/A
Rune S	FT	Mayoral Committee	ANC	78%	11%
Britz JHP	PT	Remuneration Committee DWIF	DA	87.5%	12.5%
Erasmus L (Ms)	PT	DWIF Women's Caucus	DA	67%	0%
Gailey RMJ	PT	DWIF	DA	78%	22%
Jantjies ER	PT	DWIF MPAC	DA	100%	N/A
Mey JV	PT	DWIF MPAC	DA	100%	N/A
Koba NM (Ms)	PT	MPAC Women's Caucus Remuneration Committee	EFF	67%	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 his/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)
Municipal Managers Office	Manager: PMS - G Terblanche
	Senior Manager: Legal Services - F Antony
Finance and Corporate Services	Senior Manager: Corporate Services – L. Ngawa
	Senior Manager: Finance – Vacant
Economic Development and Planning	Project Manager: LED – N. Adams
	Project Manager: Tourism and Creative Industries – 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 – S. Nondlazi
	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 2023/2024 AND REPORT BY THE AUDIT AND RISK COMMITTEE

Meeting date	Item Number	Resolution	Status
17 August 2023	8.1	<p><u>Annual Financial Statements</u></p> <p>(a) that the report on the AFS being prepared by A2A Kopano be made available to the members of the ARC as soon as it is received;</p> <p>(b) that A2A Kopano be invited to be present at the meeting of the Audit and Risk Committee on 24 August 2023 to deal with concerns raised by the ARC;</p> <p>(c) that the following matters be placed on the Action Sheet and followed up:</p> <ul style="list-style-type: none"> ○ the assessment of the expected impact of GRAP 25 and IGRAP 7; ○ recovery of Job Evaluation debt from Makana and Kouga LMs; ○ recovery of the debt from SARS in respect of UIF monies paid over to them in error. 	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p> <p>In progress</p> <p>In progress</p> <p>In progress</p>
	8.2	<p><u>Annual Performance Report</u></p> <p>(a) that the SMME Policy adopted by Council in 2021/2022 be submitted to the ARC;</p>	<p>Implemented</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>Included on Workplan</p> <p>Included on Workplan</p>
24 August 2023	6.2.1	<p><u>Confirmation of minutes of meeting held on 19 January 2023</u></p> <p>(a) that the Committee Clerk circulate the updated Action Sheet to members of the Audit and Risk Committee immediately;</p> <p>(b) that members hold a teleconference to review the Action Sheet and provide their responses thereto by Monday 04 September 2023.</p>	<p>Implemented</p> <p>Implemented</p>
	6.2.2	<p><u>Section 52(d) Report</u></p> <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</p>	<p>Outstanding</p> <p>Outstanding</p> <p>Implemented</p> <p>Implemented</p>

		<p>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>	Implemented
	7.	<p><u>Report by the Municipal Manager</u></p> <p>That the Municipal Manager submit a written Overview to the Committee in the agenda for its next Quarterly meeting to be held on 09 November 2023.</p>	Not submitted
	8.	<p><u>Auditor-General Update</u></p> <p>That a special meeting of the Audit and Risk Committee be held to coincide with the presentation of the Audit Strategy to SBDM Management; it being noted that the Auditor-General would advise of the date of the meeting and presentation.</p>	Implemented
	9.	<p><u>Internal Auditors</u></p> <p>(a) That feedback be provided to the Committee on the appointment of the new Internal Auditors;</p> <p>(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.</p>	<p>Implemented</p> <p>Implemented</p>
	9.4	<p><u>Close Out Report</u></p> <p>(a) that Management do an analysis of the ratings of the past three years' audits that were performed as well as lessons learned during that time;</p> <p>(b) that going forward, Management keeps track of lessons learned and corrective actions taken;</p>	<p>Implemented</p> <p>In progress</p> <p>Implemented</p>

		<p>(c) that the following issues be documented and taken up with the new internal auditors:</p> <p>(1) that at least Q3 of each year should be audited;</p> <p>(2) that a summary of the outcomes of the audits that were performed be prepared for submission to the ARC.</p>	
	9.5	<p><u>Follow up Report Q1-Q2</u></p> <p>That this report be reviewed by the Committee outside the meeting.</p>	Implemented
	10.1	<p><u>Section 52(d) Report</u></p> <p>That the Committee be provided with responses to the list of queries and concerns raised on the section 52(d) report for the quarter ended June 2023.</p>	Implemented

	10.2	<p><u>Audit Action Plan</u></p> <p>(a) that feedback be provided regarding the stage at which the actions reported as completed had been taken;</p> <p>(b) that the CDDA provide a written response to the questions raised by the ARC.</p>	<p>Implemented</p> <p>Outstanding</p>
	10.3	<p><u>Supply Chain Management Report – Quarter ended June 2023</u></p> <p>(a) that the ARC notes with concern that the Supply Chain Management Unit was unable to operate efficiently due to poor planning on the part of Project Managers throughout the year where Supply Chain Management are to prepare a report for the ARC in respect of projects planned for the year, i.e. an updated and complete project register;</p> <p>(b) 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>(c) 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: <ul style="list-style-type: none"> ○ Correct the statement on the second item as SLA must be No as there are -89 days remaining 	<p>No action required</p> <p>Implemented</p> <p>Implemented</p>

		<ul style="list-style-type: none"> ○ 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 25 with no SLA in place ○ Contract No 27 ending in September 2023 but no comments provided: comments to be included. 	
	13.1	<p><u>List of all policies in the Municipality – Policy Register</u></p> <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> <p>(c) that the Register include all policies throughout the SBDM and not only Corporate Services policies.</p>	<p>Implemented</p> <p>Implemented</p> <p>Outstanding</p>
	13.3	<p><u>Report on Vacancies as per the approved Organogram</u></p> <p>That the date of approval of the new organogram be indicated against the new vacancies which had been created thereby.</p>	Implemented
	14.3	<p><u>Progress on the Implementation of the Action Plan to address AG IT Findings (IT Audit Action Plan)</u></p> <p>that the comments on completed items in the ICT Audit Action Plan be updated.</p>	Implemented
	14.4	<p><u>ICT Risk Register</u></p> <p>that the ICT Risk Register be headed with the date on which it was updated.</p>	Implemented

	19.	<u>Annual Financial Statements</u> That the ARC be provided with a copy of the report by A2A Kopano on the AFS of the SBDM for review.	Implemented
09 November 2023	6.1.1	<u>Processes in place to monitor compliance with laws and regulations and code of conduct</u> That once the new Internal Auditors have been appointed, systems be put in place to make sure that the municipality is complying with all the rules and regulations.	Implemented
	7.2	<u>SBDM Overview Report (Report by the Municipal Manager)</u> That the Municipal Manager submit a written SBDM Overview Report to the next ARC Committee meeting scheduled for 01 February 2024.	Verbal report submitted
	9.	<u>Internal Auditors</u> (a) that once SALGA has done preparing the reports, the Audit and Risk Committee be provided with a summary of the IA Plan and reports available for review; (b) that the SBDM give consideration to appointing locally based Auditors as future contractually appointed Internal Auditors.	Implemented Implemented
	9.1	<u>Update on Internal Audit Findings Tracker</u> That it be ascertained whether SALGA has reviewed the Audit Tracker of the past IA and that the ARC be advised accordingly.	Implemented
	9.2	<u>Update on AG Findings Tracker</u> (a) that Management provide feedback as to what controls had been put in place to protect the institution against risks materializing during the absence of Internal Auditors;	Implemented – new IA service provider appointed In progress

		(b) that a meeting with Management be arranged to obtain comments on the Audit Findings Tracker and that those comments be submitted to the next Audit and Risk Committee.	
	9.3	<p><u>Quarterly Internal Audit Reports</u></p> <p>That the Audit and Risk Committee be provided with the internal Audit reports that were prepared by SALGA in relation to the previously approved Internal Audit Plan of 2022/23 and the three-year rolling Internal Audit plan.</p>	Implemented
	10.1	<p><u>Section 52 Report Quarterly Financial Report – September 2023</u></p> <p>(a) that a practical mechanism be implemented to expedite project expenditure early in the financial year;</p> <p>(b) that an Action Plan report in terms of dealing with the interdepartmental government-related debt be submitted to the Audit and Risk Committee;</p> <p>(c) that a feedback report be prepared by the Municipal Manager and provided to the Audit and Risk Committee regarding the expectations of Sarah Baartman District Municipality from Cacadu District Development Agency following the contribution of R5.2m;</p> <p>(d) that reasons why the funds mentioned in (c) above could not be better utilized by the CDDA be included in the feedback report;</p> <p>(e) that feedback be provided to the Audit and Risk Committee regarding the recoverability of the amount of R 50,000 erroneously paid to a barber shop;</p> <p>(f) that a report be provided to the Audit and Risk Committee on the action taken in respect of the staff member who made the payment mentioned in (e) above and what controls were in place</p>	<p>In progress</p> <p>Implemented</p> <p>Outstanding</p> <p>Outstanding</p> <p>In progress</p> <p>Referred to Disciplinary Board</p>

		to ensure an error of this nature is not repeated.	
	10.3	<p><u>Supply Chain Management Report – Quarter ended September 2023</u></p> <p>(a) that the evaluation matrix that was considered when providing support to the sports clubs be clarified and specified in the form of a report to the Audit and Risk Committee;</p> <p>(b) that a high-level summary overview of catering costs be provided to the Audit and Risk Committee.</p>	<p>Outstanding</p> <p>Outstanding</p>
	10.4	<p><u>Financial Sustainability Model</u></p> <p>(a) that the Municipal Manager submit a report to Audit and Risk Committee on how best to utilize the properties of the Municipality to generate income and the report should indicate the department responsible for the task;</p> <p>(b) that the Municipal Manager prepare a revised Financial Sustainability Model report which will satisfy the Audit and Risk Committee in order that the SBDM can address the immediate going concern challenge raised by the Committee.</p>	<p>Outstanding</p> <p>Outstanding</p>
	13.1	<p><u>SBDM Policy Register</u></p> <p>that a column be added on the Policy Register to indicate the date for the next review.</p>	Implemented
	14.1	<p><u>Audit Action Plan: ICT Findings</u></p> <p>That the colour-coded cells in the Excel spreadsheet be changed.</p>	Implemented
	15.1	<p><u>Action Sheet</u></p> <p>(a) that Management address the non-functionality of the Disciplinary Board;</p> <p>(b) that the original date when the Audit and Risk Committee highlighted a particular finding/concern be included in the Action Sheet.</p>	<p>Outstanding</p> <p>Implemented</p>

22 November 2023	7.1	<p><u>SBDM Draft Management Report for the year ended 30 June 2023</u></p> <p>(a) that the ARC continues to highlight and monitor the utilization of reserves;</p> <p>(b) that a report be written informing the Council about the ARC's concerns regarding financial sustainability.</p>	<p>In progress</p> <p>Implemented</p>
01 February 2024	6.1	<p><u>Confirmation of Minutes: Meeting held on 09 November 2023</u></p> <p>(a) that the minutes of the meeting held on 09 November 2023 be refined and re-circulated as a final draft before they can be signed off by the Chairperson;</p> <p>(b) that the minutes be submitted to the next ordinary ARC meeting for confirmation.</p>	<p>Implemented</p> <p>Implemented</p>
	7.	<p><u>Report of the Municipal Manager for the last quarter</u></p> <p>That a formal report on financial misconduct be presented by the Municipal Manager in the next ARC meeting.</p>	<p>Verbal report submitted</p>
	9.1	<p><u>Update in the Internal Audit Findings Tracker</u></p> <p>(a) that the new internal auditors compile a report on the review on the Internal Audit findings;</p> <p>(b) that the updated Internal Audit Findings Tracker be submitted to the next quarterly meeting to be held on 16 May 2024.</p>	<p>Implemented</p> <p>Implemented</p>
	9.3	<p><u>Quarterly Internal Audit Reports</u></p> <p>That in terms of the scope of the review of Supply Chain Management, the following be included in the report going forward for the user to draw conclusions:</p> <p>(i) samples tested;</p>	<p>Outstanding</p>

		(ii) the number of tenders/bids that were selected; and (iii) nature and scope of the audit.	
	9.4	<p><u>Internal Audit Charter</u></p> <p>(a) that the Audit Committee Charter and the Internal Audit Charter be circulated to the members of the Audit and Risk Committee;</p> <p>(b) that Management consider possible changes necessary to the two charters and circulate to the committee members with tracked changes;</p> <p>(c) that a comparison be done with the toolkit from Treasury and that the Charters be finalized during the month of February 2024;</p> <p>(d) that once the new Internal Auditors were appointed, the Audit and Risk Committee finalize the Charter with the new internal auditors and have it signed off.</p>	<p>In progress</p> <p>In progress</p> <p>In progress</p> <p>In progress</p>
	10.1	<p><u>Section 72 (Mid-Year Financial Reports): Rent of facilities and equipment</u></p> <p>(a) that the Director: Finance and Corporate Services investigate whether the formula used to calculate the projected figures and carry them through to other reports was being correctly applied;</p> <p>(b) that if the outstanding amount of R2 012 000 had not been refunded by March 2024, the matter be followed up with National Treasury.</p>	<p>Implemented</p> <p>Implemented</p>
	10.1.5	<p><u>Accumulated Surplus/Deficit</u></p> <p>that the Director: Finance and Corporate Services investigate the matter of the projected deficit on project expenditure and report back to the Audit and Risk Committee in this regard.</p>	In progress
	10.1.7	<u>Project Expenditure</u>	

		That Management provide detailed comments in terms of expenditure significantly below that planned.	Outstanding
	10.1.10	<u>Fire Training</u> That a report on Fire Training, inclusive of the date of training, number of trainees and date of payment be submitted by the Director: Infrastructure Development and Community Services in the next ARC meeting.	Implemented
	10.1.14	<u>Job Evaluation</u> That the Job Evaluation Co-ordinator provide the Audit and Risk Committee with an Action Plan with targets set for LMs to submit job descriptions, to ensure the completion of the project within the specified time frame.	Outstanding – JE Co-ordinator post vacant

	10.1.18	<p><u>Rental and Sundry Debtors: Properties</u></p> <p>That the Audit and Risk Committee be provided with the following:</p> <ul style="list-style-type: none"> (i) number of the SBDM properties owned by SBDM; (ii) number of properties that are rented out; (iii) number of properties that are not rented out; and (iv) information on what was required to be done to properties in terms of maintenance, renovations, etc. 	Outstanding
	10.1.20	<p><u>Deviations, Commitments, Procurement Plan and Contract Register</u></p> <ul style="list-style-type: none"> (a) that the Planning and Economic Development Department provide a report on the statistics project which would commence after the appointment of the Service Provider; (b) that the Audit and Risk Committee be provided with the information on the level of spending regarding investment in tourism-related activities. 	<p>Outstanding</p> <p>Outstanding</p>
	10.1.23	<p><u>Irregular and Wasteful Expenditure</u></p> <p>That the Committee be advised outside of the meeting as to what the consequences were for the staff members concerned in the duplicate and erroneous payments reported.</p>	Implemented
	10.1.24	<p><u>SBDM Calculation of Uniform Financial Ratios and Norms</u></p> <p>That in future separate Excel documents on Calculation of Uniform Financial Ratios and Norms, as well as the Feasibility Report, be circulated as Supplementary documents to members to enable them to carry out reviews and check accuracy of the calculations.</p>	Implemented
	10.2	<u>Supply Chain Quarterly Report – Quarter ended December 2023</u>	
	10.2.3	<u>Gift Packs</u>	

		<p>That the requisitions for the following items of expenditure be investigated and details of what was procured in terms thereof and the reasons therefor be reported to the Audit and Risk Committee:</p> <ul style="list-style-type: none"> ○ Catering Costs ○ Details of the R22 000 expenditure on Gift packs ○ Details of the R19 650 expenditure paid to SMPQ Trading Pty (Ltd) PPE ○ R22 800 for refuse bins. <p><u>Annexure “H” Active Contract Register: 2023/2024 Financial Year</u></p> <p>that the Director: Planning and Economic Development confirm in writing whether the Service Provider would be able to complete the project by the contractual end-term date.</p>	<p>Implemented</p> <p>Implemented</p>
	10.5	<p><u>Request for a Budget Adjustment</u></p> <p>That Management provide feedback on the Audit and Risk Committee's concern that the adjustment budget was significant in terms of the additional requirement in utilizing reserves and whether or not it was possible that the plans for the upgrading of the informal settlements and the upgrading of the Taxi Routes projects could be brought to fruition.</p>	In progress
	11.	<p><u>Performance Management</u></p> <p>That the Municipal Manager drive the process of ensuring the accurateness of the information contained in the SDBIP.</p>	In progress
	12.2	<p><u>Risk Register Update</u></p> <p>(a) that the Risk Register be updated and submitted to the Audit and Risk Committee;</p> <p>(b) that the Audit and Risk Committee meet with the new Internal Auditors to raise key items to be reviewed urgently.</p>	<p>Implemented</p> <p>Implemented</p>
	13.1	<p><u>Policy Register</u></p>	Outstanding

		<p>(a) that the Municipal Manager ensure all Departments' policies are included in the database;</p> <p>(b) that a column reflecting the date of the next review of the policy be added to the table.</p>	Implemented
	13.2	<p><u>Report on Vacancies as per Approved Organogram</u></p> <p>That the error detected in the calculations of the vacancies in Annexure B be corrected.</p>	Implemented
	13.3	<p><u>Report on Reviewing the Organogram</u></p> <p>that feedback in terms of the impact of the new revised SBDM Organogram be submitted to the Audit and Risk Committee.</p>	Outstanding
28 May 2024	6.2	<p><u>Minutes of the meeting held on 01 February 2024</u></p> <p>That the IA Charter and Audit Committee Charter with tracked changes be circulated to Audit and Risk Committee members before being signed off.</p>	Outstanding
	9.	<p><u>Internal Audit</u></p> <p>(a) that the Manager: Organisational Performance, Risk and Internal Audit check whether system descriptions had been received and follow up with the previous service providers on their undertaking to consult their principals regarding release of their working papers;</p> <p>(b) that if there were specific problems in understanding past findings, these be brought to the attention of the Audit and Risk Committee;</p> <p>(c) that Internal Audit prepare the new audit plan to be presented to the ARC in August 2024.</p>	<p>Implemented – working papers of previous service providers not available</p> <p>Implemented</p>
	10.1.4	<p><u>Project Expenditure</u></p> <p>That the Director: Infrastructure Development and Community Services</p>	Implemented

		advise members of the Audit and Risk Committee of the amount that would be spent by with the end of June 2024 on the Upgrading of Makhanda Taxi Routes project.	
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	10.1.9	<u>Creditors Age Analysis</u> That the Director: Finance and Corporate Services check what the three amounts of R3 800 under Top 10 Creditors on page 82 were related to and advise the Audit and Risk Committee accordingly.	Implemented
	10.1.10	<u>Insurance Claims</u> That in future the report on insurance claims include an indication of the cost to the Municipality of the damage or loss incurred.	Ongoing
	10.1.11	<u>Fruitless and Wasteful Expenditure</u> That the detailed reports that were considered by the Section 32 Committee regarding the catering procured for events that did not take place be submitted to the Audit and Risk Committee for information.	Outstanding
	10.1.13	<u>Calculation of Uniform Financial Ratios and Norms</u> that the Director: Finance and Corporate Services provide the Audit and Risk Committee with a comparison with the prior year on remuneration as a percentage of operating expenditure.	Implemented
	10.1.15	<u>Cacadu Development Agency</u> That the Chairperson and available members of the Audit and Risk Committee meet with the Municipal Manager to discuss the future of the CDDA.	In progress
	10.4	<u>Financial Sustainability Model</u> that the ARC be provided with the following: <ul style="list-style-type: none"> • an overview of how far the institution was in evaluating the property portfolio • the action plan to achieve the objectives, including condition of the properties, repairs needed etc etc • a cash flow model in respect of the property portfolio showing the anticipated income expected against costs year on year. 	Outstanding

ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 30 JUNE 2024 – 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 2024.

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 and Risk 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 and Risk 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.

Names of members	Date of Appointment	Total number of meetings 2023 – 2024	Number of meetings attended 2023 -2024
Mr Gregory Billson Chairperson	1 January 2023	6	6

Ms N Jeeva	1 January 2023	6	6
Mr D De Lange	1 January 2023	6	6
Mrs T Knoetze	1 January 2023	6	6

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 2023/2024 financial year, the Audit and Risk Committee held meetings as set out below:

- 17 August 2023 (Review of Annual Financial Statements)
- 24 August 2023 Q4
- 9 November 2023- Q1
- 22 November 2023
- 1 February 2024- Q2
- 28 May 2024- Q3

AUDIT COMMITTEE RESPONSIBILITIES

The Committee confirms that it has complied with its responsibilities set out in the Audit and Risk in legislation and the Committee Charter and details are provided below.

1. INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT

1.1 Internal Financial Control

The Audit and Risk Committee has reviewed the expertise, resources and experience of the Sarah Baartman District Municipality's Finance Department. There have been no significant changes in the staff establishment during 2023/2024 financial year. The CFO is competent in respect of her expertise and experience, with the Finance Department functioning adequately and within its mandate.

The Manager: Finance post has been vacant for the full financial year and exposes the Municipality to significant risks relating to ICT functions, financial management as well as internal controls. The Management of the Municipality has been encouraged to fill the position without delay.

1.2 Internal Audit

The Internal Audit function is independent of management.

The Internal Audit function has continued to be carried out by an outsourced service provider. Completing 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. Fortunately, the newly appointed Internal Auditors have been onboarded very successfully even though there was no official handover by the previous service providers.

The Committee is satisfied that the Internal Audit team possesses the required qualifications and is competent to perform their role.

During the last quarter the service provider drafted the three-year rolling Internal Audit plan for 2024/2025, 2025/2026, and 2026/2027 financial years.

The Internal Audit plan for the 2023/2024 financial year could not be finalised due to the change of Internal Audit Service Providers and internal audits undertaken were based on the Internal Audit Plan of the previous year.

The internal auditors were able to complete internal audits relating to Expenditure Management, ICT, Leave Management, Performance Management and the SDBIP. Numerous findings relating to deficiencies in internal controls have been brought to the attention of Management who have been requested to prioritise the implementation of the recommendations of the Internal Auditors.

The delay in the review of Internal Audit reports by the Audit and Risk Committee limits the effectiveness of the Committee's oversight responsibilities. Internal Audit remains the most important support to the Audit and Risk Committee in providing assurance. With reports being delayed or internal audits not being conducted in the first three quarters of the financial year, the Audit and Risk Committee was unable to ascertain what progress was being made in the improvement of internal controls.

Internal Audit findings tracker

All noted findings by IA are required to be captured on an Internal Audit findings tracker for follow up and review. This tracker has not been properly maintained.

Management was unable to demonstrate that Internal Audit findings have been adequately addressed.

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. It has been recommended by the Committee that the Internal Auditors compile a report on the review of all internal audit findings and that an updated Internal Audit Tracker be submitted to the Audit and Risk Committee.

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 is required to respond to addressing Audit and Risk Committee requests.

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:

- Matters from past meetings are not being captured timeously
- Findings are not being addressed on a quarterly basis, with limited or no feedback from management
- In many instances the tracker is not updated accurately

Internal Audit and Audit and Risk Committee Charters

The Charters were not updated during the 2023/2024 financial year.

Management was advised to compare the charters to the National Treasury Audit Committee Toolkit charter templates and that the charters be finalised with the newly appointed Internal Auditors.

2. RISK MANAGEMENT AND COMPLIANCE

The enterprise risk management framework of the municipality during the year was deficient, exposing the municipality to significant risks. The risk register was absent as well as the required risk management policies. This reduced the Audit and Risk Committee's effectiveness relating to oversight.

The Risk Management Officer post was vacant for the 2023/2024 financial year. The Risk Management Maturity of the municipality is however set to improve during the 2024/2025 financial year.

The Risk Management Committee is responsible for the establishment of the risk management policy, risk framework together with the risk management strategy and the preparation of the risk register.

The Committee remains responsible for the oversight over:

- 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
- The fraud hotline
- Anti-corruption and fraud prevention policy
- Ethics plan.

No risk identification and rating intervention was undertaken in the 2023/2024 financial year.

A risk identification and rating intervention was held on 29 October and 5 November 2024 and the report will be used to update the strategic and operational risk registers.

Audit plan

The regulatory findings by the Auditor General for the 2022/2023 financial year were addressed by Management by 30 June 2024.

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.

Budget related policies are reviewed annually to take cognizance of any legislative changes, whereafter such are submitted to council for approval.

A detailed policy register with approval date and next review date should be in place for all policies of the municipality.

4. ADEQUACY, RELIABILITY AND ACCURACY OF FINANCIAL REPORTING AND INFORMATION

The Audit and Risk Committee remains concerned as to the medium-term financial viability of the Sarah Baartman District Municipality.

The Audit and Risk Committee highlighted the following concerns:

- The financial sustainability cash flow model did not address how the Municipality should discontinue using reserves to fund project expenditure
- Alternative funding methods need to be sourced to finance projects as the use of reserves would eventually lead to circumstances where the Municipality is unable to meet its financial commitments and/or service the district.

The Municipality has continued to delay the date of financial reserves being depleted through the slow expenditure on capital projects. Should the Municipality have executed and delivered on budgeted-for projects, existing reserves would have been utilized to a far greater extent.

A financial sustainability and cash flow model has been used for some time to estimate income and expenditure cash flows and impact on reserves in the medium term. The Audit and Risk Committee acknowledges that there are meaningful actions and scenario planning in place to address the immediate challenge of existing reserves being utilized to fund operational activities.

Council is 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 short term.

The Audit and Risk Committee recommend that Council review relevant reports prepared by the Municipality Property Committee. This Committee has been established to investigate and ensure the effective utilisation of properties owned by the Sarah Baartman Municipality. The effective utilisation of such properties through maximising 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 has resolved that management provide the following in respect of properties:

- Number of properties owned by SBDM
- Number of properties rented out
- Information on what was required to be done to properties relating to maintenance and renovations.

Review of Annual Financial Statements

As part of the Audit and Risk Committee's mandate, the focus was on the following key areas:

- Evaluating the adequacy and effectiveness of internal control systems, as highlighted in the audit findings.
- Reviewing the performance of the Internal Audit function to ensure alignment with the MFMA and National Treasury guidelines.
- Assessing whether Management has implemented sound financial practices and controls to address prior audit findings.

- Ensuring that recommendations from the Auditor-General align with corrective actions proposed by the Internal Audit function.

The Audit and Risk Committee reviewed and discussed the unaudited annual financial statements for the 2023/24 financial year with Management. The accounting policies and disclosures made by Management were also reviewed during this process.

The Audit and Risk 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 of the S56 managers have not commenced.

Projects budget

The Audit and Risk Committee noted in their review that 51% of the Projects' budget was unspent for the year.

6. EFFECTIVE GOVERNANCE

Attendance of the Audit and Risk 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.

Contract management

The Audit and Risk Committee have noted 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.

The active contracts register should be reviewed for completeness on a regular basis to ensure that no unauthorised, irregular expenditure is incurred.

Disciplinary Committee

The Disciplinary Board is an important legislated structure which is established by and is an independent advisory body that assists the Council with the investigation of allegations of financial misconduct and provides recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken.

The Chairperson of the Audit and Risk Committee was appointed to serve on the Disciplinary Committee. However no meeting has been arranged.

The Disciplinary Committee is an essential structure in dealing with financial misconduct and ensuring that consequence management is performed.

7. CACADU DEVELOPMENT AGENCY (CDA)

The Audit and Risk Committee has highlighted the slow delivery of CDA projects which are provided on the budget annually. It is evident that the oversight role of the parent municipality needs to improve. The Service Level Agreement that was in place has expired. The agreement indicates that the onus was on the parent municipality to equip the CDA with resources required to be effective. The Chairperson of the Audit and Risk Committee has met with the Municipal Manager requesting that the poor performance of the CDA relating to project delivery and steps to improve performance needs to be escalated and brought to the attention of the council.

8. AUDIT OUTCOME

The municipality achieved an unqualified audit outcome which is commendable.

Non-compliance with legislation relating to Procurement and Expenditure management resulted in irregular expenditure.

It is important to identify the root causes of the non-compliance which prevented the municipality from achieving a clean audit outcome.

It is evident that many of the findings in the report such as non-compliance to the Procurement Regulations and Irregular Expenditure were mainly the result of vacancies of key personnel in the Finance Department.

APPRECIATION

On behalf of the Audit and Risk 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.

DANIEL J. de LANGE
Acting Audit and Risk Committee Chairperson

22 January 2024

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (contracts entered into during 2023/2024)					
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	11 October 2022	10 October 2024	Job Evaluation Co-Ordinator	Dependent on usage – Limited to budget

	Outcomes for the District Grading Committee for the Municipalities within the SBDM				availability
Aon South Africa (Pty) Ltd	Management of Short-Term Insurance	1 January 2023	31 December 2025	Accountant: FAD	Dependent on 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 2023/2024 – 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 2023 – 30 June 2024

Contents

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1. ANNUAL PERFORMANCE REPORT FOR THE PERIOD 2023/24

The following PDOs and targets (adjusted during the period for same in January 2024) were concluded for the reporting period under review:

1. PREDETERMINE D OBJECTIVE	2. PERFORMANC E INDICATOR	3. ANNUAL TARGET	4. OUTCOME	5. OUTPUT	6. ACHIEVEMEN T	7. REASON FOR DEVIATION
8. Outcome 1: Strategic Partnership Development						
9. Strategic Partnership Development 10.	11. Agreements finalised with 7 Local Municipalities	12. 2 Agreements for the development of projects in 4 LMs	13. Signed agreements with at least 2 local municipalities in the district	14. CDA and Beyers Naude Local Municipality concluded an Offer to Purchase for the Palms Swimming Pool in Graaff-Reinet 15. 16. CDA and ECDC signed an MOU covering catalytic economic development project for all the local municipalities. 17. 18. CDA and ECDC signed an MOA for the Sand Mining project in Sundays River Valley Local Municipality.	19. ACHIEVED	20. No deviation
	21. Cooperation agreements in place with non-public sector organisations or NPOs for delivery of mutually beneficial projects in any of the 7 LMs	22. 2 Agreements on projects with non- public sector organisations	23. Signed agreements and support to at least 2 NPOs in the Sarah Bartman District.	24. CDA signed agreements with 12 NPOs for assistance through the CSI support program	25. ACHIEVED	26. No deviation
27. Outcome 2: Unique District-Wide Tourism Attractions						

28. Unique district-wide tourism attractions	29. Support to new initiative explored with public or nonpublic sector organizations. 30.	31. Funding requests for renovations of the Boschberg Tourism Hub in Somerset East 32.	33. Secured funding from all potential funders to renovate the Boschberg Tourism Hub in Somerset East	34. No funding has been secured for renovations of the Boschberg Tourism Hub	35. NOT ACHIEVED	36. Despite advertisement of the Bid in Q1, adjudication only recommended for re-advertisement in Q3, thus delaying all targets.
37.	38. Assessment and mapping of all Heritage assets with tourism potential in the SBDM district	39. Full Assessment of Heritage assets with tourism potential in the SBMD district and upgrading of two heritage site that needs renovations	40. A Report that indicates all potential assets and projects with heritage potential in all local municipalities in the district.	41. Final Report from the appointed service provider identifying heritage projects in each local municipality with tourism potential	42. ACHIEVED	43. No variance
	44. Redevelopment of the Palms Swimming Pool into a Mixed-Use Tourism Facility in the BNLM	45. Appointment of an Investor or Developer for the redevelopment, expansion, and operationalisation of the Palms Swimming Pool	46. Advertisement of an RFP or EOI for appointment of an investor or developer for the Palms Swimming Pool in Graaff-Reinet	47. An advertisement for an investor or developer for redevelopment, expansion or operationalisation of the Palms Swimming Pool in Graaff-Reinet could not be placed.	48. NOT ACHIEVED	49. The Title Deed for the property was lost and thus delayed the registration and all subsequent activities related to the advertisement and appointment of an investor or developer.
50. Outcome 3: Innovative Agricultural Sector						
51. Innovative agricultural sector	52. Development of an internationally certified abattoir as means to allow for export	53. Finalisation of full business case for the development of an abattoir in Ndlambe Local Municipality. 54. 55. Funding Application for construction of an Abattoir in Ndlambe	56. A final Business Case for development of an Abattoir and funding application for construction thereof in Ndlambe Local Municipality	57. A Final Business Case with funding options included so that CDA could start the process of advertising for a design and implementation team for development of an internationally certified abattoir.	58. NOT ACHIEVED	59. Delays were registered in the district municipality and Ndlambe Local Municipality not in agreement with the draft Business Case presented by their consultant which did not clearly indicate

						the feasibility of the proposed abattoir.
60. Outcome 4: Appropriate Infrastructure Development and Investment						
61. Appropriate infrastructure development and investments	62. Development of a functional Mixed-use Industrial and Retail Park	63. Appointment of a Developer for Investor for THE DEVELOPMENT, EXPANSION AND OPERATIONALISATION OF THE SOMERSET EAST MIXED-USE INDUSTRIAL AND RETAIL PARK	64. Appointment letter and SLA concluded for a Developer or Investor for the Mixed-Use Industrial and Retail Park in Somerset East, Blue Crane Route Municipality	65. Despite advertising the project, no appointment and SLA could be made.	66. NOT ACHIEVED	67. No responses were received despite broad advertising. The Unsolicited Bid pursued also did not realise in any appointment.
68.	69. Repair of infrastructure to make the Aerodrome South African Civil Aviation Authority compliant	70. Appointment of a Developer or Investor FOR THE DEVELOPMENT, EXPANSION AND OPERATIONALISATION OF THE SOMERSET EAST AERODROME PRECINCT.	71. Appointment letter and SLA concluded for a Developer or Investor for the Somerset East Aerodrome Precinct, Blue Crane Route Municipality	72. Despite advertising the project, no appointment and SLA could be made.	73. NOT ACHIEVED	74. No responses were received despite broad advertising. The Unsolicited Bid pursued also did not realise in any appointment. Blue Crane Route Municipality assisted with appointment of 3 EPWP workers that assist with the operational, safety and security processes.
	75. Request to SRVM to transfer sand mining site in Paterson to CDA	76. Establishment of a Sand Mining operation or Glass manufacturing facility in Paterson, Sundays River Valley Municipality	77. Confirmation and approval by the Sundays River Valley Local Municipality (SRVLM) for CDA to start a process for the establishment of a Sand Mining or Glass	78. Communication from the SRVLM confirming the extent of the site and support for CDA to commence with the establishment of a Sand Mining operation or Glass manufacturing facility in Paterson	81. ACHIEVED	82. No deviation

			Manufacturing facility in Paterson	79. 80. Appointment of a service provider to conduct a Business Case for establishment of a Sand Mining operation or Glass manufacturing facility		
	83. Engaging Ikwezi (DRBN) on potential solar investment	84. Establishment of a Solar Farm in Jansenville , Beyers Naude Local Municipality	85. A BNLM Council Resolution transferring ERF 1 in Jansenville to CDA for establishment of a Solar Farm	86. Communication from BNLM that the municipality decided not to transfer this land parcel to the CDA for establishment of a Solar Farm	87. NOT ACHIEVED	88. BNLM had various requests for alternative energy development and wanted to explore the most suitable option for ERF 1 in Jansenville.
89. Outcome 5: A Well Governed and Viable Agency						
90. A well governed and viable Agency	91. Compliance on financial planning, administration, and reporting requirement	92. 100% compliance	93. Full compliance with planning, administration and reporting of all financial processes.	94. AFS was submitted to the IA, ARC and Board for review and approval. Subsequently submitted on 31 August to AG.	95. ACHIEVED	96. No deviation
97.	98. Improved Audit Outcome	99. Unqualified Audit Opinion without findings	100. An Unqualified Audit Opinion without findings from the AG	101. CDA received an Unqualified Audit Opinion with 3 findings for the 202/23 FY	102. NOT ACHIEVED	103. In the absence of a Audit and Risk Committee, full reliance was placed on the IA to clear all matters. Management disagreed with IA on the 3 matters that became AG findings but could not dispute in the absence of an ARC.
	104. Expenditure incurred	105. 97% Spending of grant from SBDM	106. An expenditure of at least 97% of the operational	107. The CDA expended 100% of its	108. ACHIEVED	109. No deviations

			grant received from the parent municipality	grant from the parent municipality.		
	110. Agency performance level	111. 100% Performance Level Achievement	112. Completion of all staff performance reviews for the period under review (Q1 – Q3)	113. Performance file with performance information available for IA review.	114. ACHIEVED	115. Q4 reviews are conducted in Q1 of the next FY. Moderation done after AG Outcome by the Board in November/December.
	116. Competitiveness of reward systems	117. Market related salaries for talent attraction and staff retention	118. Ensure staff salaries are benchmarked with prescribed increases by the SALGA Collective Agreement	119. Increase for all staff implemented in relation to the SALGBC Circular and included in the Budget for approval by Board and SBDM Council	120. ACHIEVED	121. New positions approved at the appropriate benchmark with the SBDM.
	122. Skills Development and Highly Skilled Staff	123. 97% spent of approved training budget	124. Work Skills Plan developed based on skills needs identified in the Performance Workplans	125. Reports indicating 97% expenditure on training.	126. NOT ACHIEVED	127. 94% expenditure achieved as one staff member did not complete his course prior the end of the reporting period.
	128. Number of Board and Committee engagements	129. 8 Annual sittings for Board Committee	130. Regulated and Special sittings of the Board of Directors.	131. Agendas, Minutes and Attendance Registers as evidence of sittings	132. ACHIEVED	134. No deviation
	135. Number of Audit and Risk Committee engagements	136. 6 Annual sittings for Audit and Risk Committee	137. Regulated and Special sittings of the Audit and Risk Committee	138. Agendas, Minutes and Attendance Registers as evidence of sittings	139. ACHIEVED	141. No deviation

2. 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 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 report measure productivity and compares the quarterly reports and provides an overview of the annual performance of the agency.

The table below looks at the achievement of targets against the PDOs and provides an indication of whether the Agency is making an impact on its mandate.

142. Number of Targets	143. Targets ACHIEVED	144. %	145. Targets 146. NOT ACHIEVED	147. %
148. 18	149. 10	150. 55.6	151. 8	152. 44.4

Achievement of Targets

The information provides a picture of progress within the Agency. The oversight and administrative processes seem to be doing well, whilst the key mandate of the Agency, delivering projects, is still lagging, thus there is a fluctuation in targets achieved. Various reasons for the latter exist, including continuity of operations that delayed various processes from quarter 1 to quarter 4.

3. Risk Management

The Board, Accounting Officer and staff has committed the Cacadu Development Agency (CDA) to a process of risk management that is aligned to the principles of good corporate governance and to the Risk Management Policy and Risk Register. The role of risk management is to provide the CDA Management and Staff with guidance on how to apply consistent and comprehensive risk management. The risks below have been identified as important for the agency and guides effective risk management:

- Inconsistency in the extension of the Service Level Agreement (SLA) which impacts on continuity.
- Utilising SBDM land or property to attract investment remains a distant ideal, as none has been handed to CDA for such purposes.
- 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.
- The lingering issue of “sustainability” and continued going concern status is thus impacted by non-committal from both SBDM and some of its LMs.

- Supply Chain Management (SCM) challenges illustrate how CDA has been hamstrung due to dependencies on LMs, where the number of staff does not allow for participation in all the committees.
- This has led to various projects being delayed, as SBDM has withdrawn support for such critical SCM functions.
- Increasing the skills pool is an obvious solution but CDA does not have sufficient finances to allow for more appointments.
- Limited to no support from the Provincial Sector Departments thus private sector engagement to invest in projects.
- Red tape reduces the appetite of the private sector, more so at LM level that is also struggling to collect sufficient rates etc.

4. Summary and Conclusion

In conclusion, the CDA has 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. Some of the significant highlights that impacted on the operations of the agency for the year under review, are now listed below:

- In the absence of an Audit and Risk Committee, the Annual Performance Report and Annual Financial Statements were completed with approval from the Finance Committee duly assisted by Internal Audit and Board, and which allowed for timeous submission on 31 August 2023.
- The CDA welcomed the newly appointed Project Manager for Town Planning on 1 September 2023.
- Non-appointment of both Internal Audit and for the Audit and Risk Committee during Q2 impacted on the governance of the agency.
- The Auditor General (AG) concluded their work at the end of November 2023 and the CDA obtained an Unqualified Audit Opinion.
- In the absence of an Audit and Risk Committee, the Annual Performance Report and Annual Financial Statements were completed with approval from the Finance Committee duly assisted by Internal Audit and Board, and which allowed for timeous submission on 31 August 2023.
- The CDA welcomed the newly appointed Project Manager for Town Planning.
- Annual Performance assessments for staff were concluded.
- No appointment made for both Internal Audit and for the Audit and Risk Committee impacted on the governance of the agency.
- The Auditor General (AG) concluded their work at the end of November and the CDA obtained an Unqualified.
- Engagements with ECDC lead to the signing of an MOU and subsequent MOAs and Addenda allowing receipt of R500 000 for the Sundays River Sandmining project and commitments of R1.7 million for a “Food & Beverage Incubator” project in the SE industrial Park.

- The CSI / NPOs Programme which is a district wide initiative got under way and was successfully launched in Q4.
- The new Board of Directors and Audit and Risk Committee were appointed in Q4, and which brought certainty in governance of the agency.
- Payment of the R1.4 million was made into the Trust Account of the Conveyancing Lawyers, and the transfer of Title Deed for the Palms Swimming Pool to the agency has commenced.
- SBDM Council approved the CDA Budget for 2024/25 FY, an amount of R4.2 million that left the agency with a deficit of R1.2 million for its operations in the new financial period.
- The Board approved the 2024/25 APP and authorised the use of the surplus funds for shortfalls and agency-directed projects.

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 2023/2024

Not applicable

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2023/2024

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 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 was in the prior year. This model aims to address the related variables within each municipal area with the fire risk factor being 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.

	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
4	Percentage of Managers in Technical Services with a professional qualification	1	1	100%	.
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.

	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
9	Percentage of female employees	50	50	56%	Percentage of entire staff establishment
10	Percentage of employees that are aged 35 or younger	8	8	10%	Percentage of entire staff establishment
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 2023/2024

- The General Maintenance of Water Treatment Works in Kou-Kamma Local Municipality at Nompumelelo Water Treatment
- LGSETA Funded Water Training Programme

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.

- Assisted with servicing of pit latrines in DMA in Sundays River Valley Municipality
- Sewer Spillages in Blue Crane Route, Sundays River Valley and Makana municipality

In response to requests to assist with sewer spillages in Blue Crane Route Local Municipality, an amount of R 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 R and Blue Crane Route Local Municipality received an amount of R

- Appointed 6 local labourers under EPWP for water quality testing in Water Treatment Plants

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	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: <ul style="list-style-type: none"> • Kouga LM supported by partnership with Canadian LMs and sponsored by SALGA 		

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		<ul style="list-style-type: none"> 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 Isigalo 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%
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 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	25 500	6 400	25%
		Target set for the year 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	299 300	76 300	25%
		Target set for the year 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	22%		
		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	88 400	2 200	2.4%
		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 2024	30 September 2024	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 review.		

Information about the establishment and functioning of ward committees for the 2023/2024 financial year will be provided when the Annual Reports of the LMs are compiled.

