CHRIS HANI
DISTRICT MUNICIPALITY
SUSTAINING GROWTH
THROUGH OUR PEOPLE

APPROVED CONSOLIDATED AUDITED ANNUAL REPORT 2021/2022

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1.1 EXECUTIVE MAYOR'S FOREWORD

I am pleased to present this Annual Report of the Chris Hani District municipality (CHDM) for the reporting period 2021/22 especially at this optimal moment we welcome a qualified audit within the municipality.

Throughout this reporting period, the world has experienced a time of tremendous change and economic turmoil occasioned by uncertainty and complexities in the international system. We have just emerged from the COVID-19 pandemic, which was an unprecedented setback for most of our countries and economies.

Now, we are confronted by the conflict in Ukraine, the impact of climate change, environmental degradation, the energy crisis, food insecurity, high inflation and an exponential increase in the prices of basic food items. For our country, the combined impact of all these developments is especially severe given the relatively low levels of economic growth and development, persistent socio-economic challenges, as well as pockets of reported crime instances throughout.

This report encompasses the achievements recorded during the 2021/22 financial year in pursuit of the objectives and targets as set out in the Integrated Development Plan (IDP) for 2022 – 2026 and Service Delivery and Budget Implementation Plan (SDBIP). We keep on improving on our overall performance across all areas despite persistent challenges internally and externally. We have strengthened our performance management system and thus much accountable to our communities as we equally implement consequence management.

We are implementing our Vision 2030 programme in collaboration with all our stakeholders using the District Development Model's (DDM) One Government-One District Plan Service Delivery initiative. It has ushered in a fertile Intergovernmental Relations Framework (IGR) platform for the coordination and facilitation of agenda through catalytic projects across all spheres of Government.

We have worked relentlessly to improve service delivery, improve our audit, revenue collection, stable council and deepen public participation. Our municipality continues to enjoy sound and stable political administrative management with council support prevalent by active oversight over the executive and committees. We have a functioning administration with sound relations with labour creating a conducive environment for work.

Our service delivery department keeps improving the implementation of projects and our turnaround time has improved tremendously. However, we are still facing stubborn wave of vandalism of our infrastructure due to high demand of iron and copper in the local market. We have been ranked high on our water quality and continue to improve. We are supporting local municipalities on waste management initiatives towards job creation.

We have worked very hard towards economic recovery and development in supporting the ailing industries by galvanising support for them. Work is underway in supporting Agri-economy, tourism, manufacturing, mining, services, logistics and real estate. Revitalisation of Small Towns continues to pick up pace and are looking forward to a cleaner environment.

We have strengthened our partnerships with our communities, local municipalities, government departments, traditional leaders, organised business, civil society, and our international friends in development among others.

We have experienced another disasters as if COVID-19 was not enough, we had torrential rains that caused flooding destroying infrastructure resulting in loss of life, strife and despair to our communities. We have worked with our communities, business and government to rebuild these communities as we have done in saving lives during COVID-19 pandemic.

We have received a qualified audit opinion and still going strong in sorting out legacy issues. I would like to express my heartfelt gratitude to the Council Speaker, our Mayoral Committee members and fellow councillors for their sterling support and leadership to CHDM. I would like to also take this opportunity to thank the Municipal Manager, for his dedicated leadership as well as staff and management for their tireless efforts in executing CHDM mandate. We owe our progress to all our stakeholders for your positive and constructive feedback to the work we do. You remain the basic pillars our democracy. We must march with our heads high towards the 30th commemoration of Chris Hani whom our district is named after. Let us unite our people in action as we rebuild our communities.

CLLR WONGAMA GELA
EXECUTIVE MAYOR

1. 2 MUNICIPAL MANAGER'S EXECUTIVE SUMMARY

The Chris Hani District Municipality prepared its Annual Report for the year 2021/2022 in line with Section 121 of the Local Government Municipal Finance Management Act, No. 56 of 2003 as well as accompanying circulars, templates, and guidelines. This report provides the overview of the performance and progress made by the district in fulfilling its strategic objectives and priorities as aligned in the Integrated Development Plan (IDP), National Development Plan (NDP) as well as Provincial and National strategic directives.

As part of this report, highlights of all the programmes and projects that were embarked on during 2021/2022 to enhance service delivery within our area of jurisdiction are also presented here. We also do acknowledge our limitations which requires our concerted efforts in our quest to deliver quality services to our community.

The Municipality continues to experience the aftermath of the outbreak of Covid-19 a year after and that has put a strain on everyone globally including the district and it has significantly impacted on our programs. This year has proven to be particularly difficult for our district due to a range of issues that transpired. Economic conditions confronting us as the country continued to impact negatively on the collection rate of the municipality. The district also experienced financial challenges which have compromised the municipality's ability to perform certain of its deliverables the prevalent culture of non-payment for municipal services by some residents served as a major contributing factor to our financial situation and impact adversely to the municipality's financial sustainable.

While water and sanitation services provision remain our main priority as the district, during this period, the service was faced with a myriad challenge related to aging infrastructure and backlogs. The loadshedding that is being experienced by the country has servilely affected the municipalities water provision function. We are however making all strides towards mitigating both our strategic and operational risks focused on improved billing systems for enhanced municipal revenue collection, water and sanitation services infrastructure and improved audit outcomes.

As the district, we have worked very hard employing all possible measures to move from the disclaimer to the Qualified Audit opinion we all pride ourselves of. This bears testimony to improved good governance and better financial management practices. With the expertise we have at our disposal, we are confident that the ground has been levelled to achieve this goalpost. The Municipality has turned the tide on expenditure on infrastructure grants and results of this tremendous improvement will soon bear partial results on service delivery and achieving our mandate. The overall financial performance of the Municipality in 2021/2022 confirms sound financial management and fiscal discipline.

The 2021/22 financial year realized an operating surplus of R279.0 million for the year under review. The municipality's current assets exceeded current liabilities in the year under review,

this is an improvement year on year. The cash and cash equivalents and investment balances. increased from R171.2 million on 30 June 2021 to R179.3 million on 30 June 2022. Employee related costs stood at 28.1% of the total expenditure and the debt collection rate is a still a challenge however, it is receiving management's attention. There were incidents of irregular expenditure emanating from ever green contracts who have exceeded the permissible term of operation in accordance with the relevant regulations, however, the is a process underway in dealing with such expenditures.

We extend our deepest gratitude to the political leadership for their tenacity and oversight role on the work that we do. The manner in which our staff members executed their responsibilities during this period carried us through in playing a meaningful role on the lives of those we serve. Our existence as the district mostly depends on the community and we would like to express sincere appreciation on the constructive criticism from our community which serves as a steppingstone to realize our objectives.

G MASHIYI
Municipal Manager

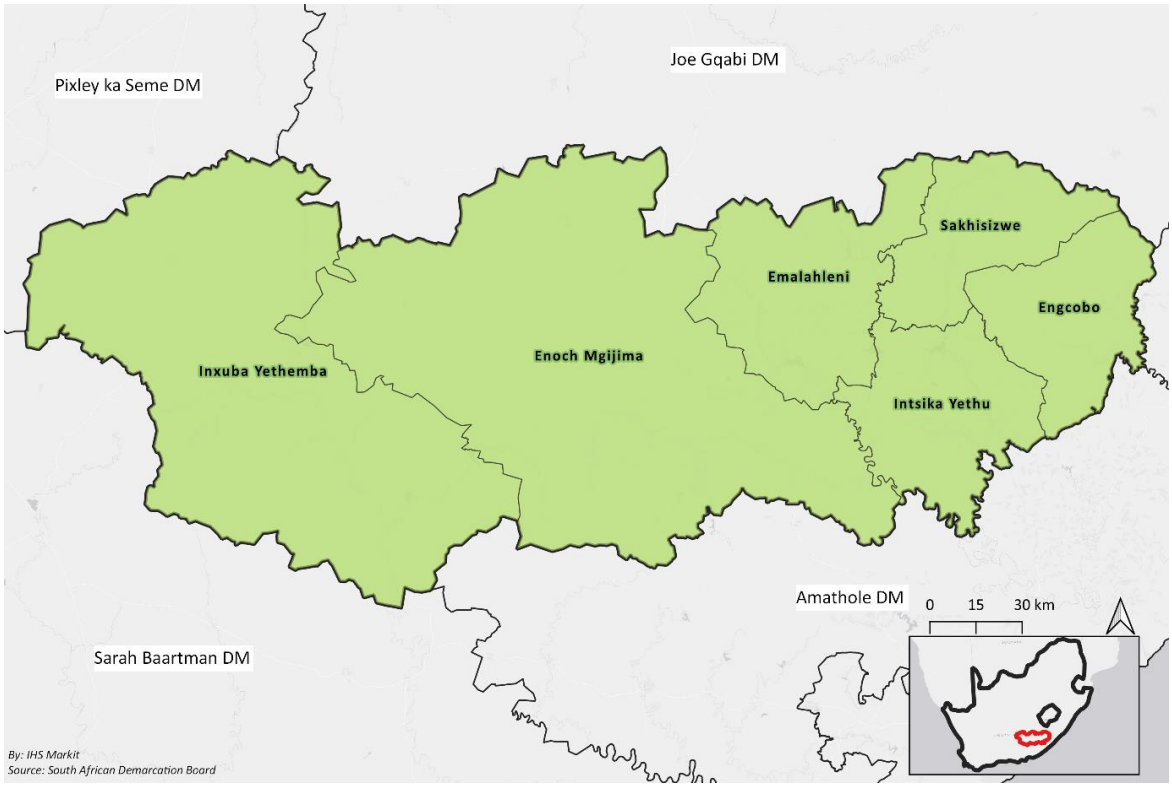
CHAPTER 1 - MUNICIPAL OVERVIEW

Demographic and Socio-Economic Profile

1. Spatial Overview

Chris Hani District Municipality is situated on the northern region of the Eastern Cape Province and covers a surface area of 36,756 Km2. Only 35.2% of the district population live in areas classified as urban, while 63.8% live in predominantly rural areas. The district also shares borders with five other districts, namely, Pixley ka Seme DM, Joe Gqabi DM, Sarah Baartman DM, Amathole DM and O.R. Tambo DM. After the 2016 Local Government Election (3 August 2016), the number of local municipalities decreased from eight to six with the merger of Tsolwana LM, Inkwanca LM and Lukanji LM into a newly established municipality, Enoch Mgijima LM, which also hosts the district municipal headquarters and council chambers in Komani.

Map 1. Chris Hani District Municipal Boundaries



Source: IHS Markit GIS

The following list presents the six LMs of the district with their urban nodes:

Inxuba Yethemba LM: Cradock and Middleburg.

Enoch Mgijima LM: Komani, Whittlesea, Tarkastad, and Hofmeyer.

Emalahleni LM: Lady Frere, Dordrecht and Indwe.

Intsika Yethu LM: Cofimvaba and Tsomo.

Sakhisizwe LM: Cala and Elliot.

Engcobo LM: Engcobo.

The Chris Hani District is comprised of three historically distinct areas, the result of which is seen in the spatial development of the district. The former Ciskei – made up of Hewu and Glen Grey magisterial districts – and the former Transkei – which includes primarily the districts of Ngcobo, Cala, Cofimvaba, Tsomo and Lady Frere magisterial districts – are characterised by significant underdevelopment and a high level of poverty.

The balance of the Chris Hani District Municipality area is made up of former RSA magisterial districts. The settlement and land use patterns in the two former homeland areas are distinctively different. Settlement in the former Ciskei and Transkei is predominantly of the dispersed “traditional” rural village settlement type, where subsistence-farming practices (pastoral and dryland cultivation) are the dominant forms of land use activity apart from the residential function of these areas. In contrast, settlement and land use in the former RSA component of the district is largely characterised by nodal urban development (small service towns) and commercial farms.

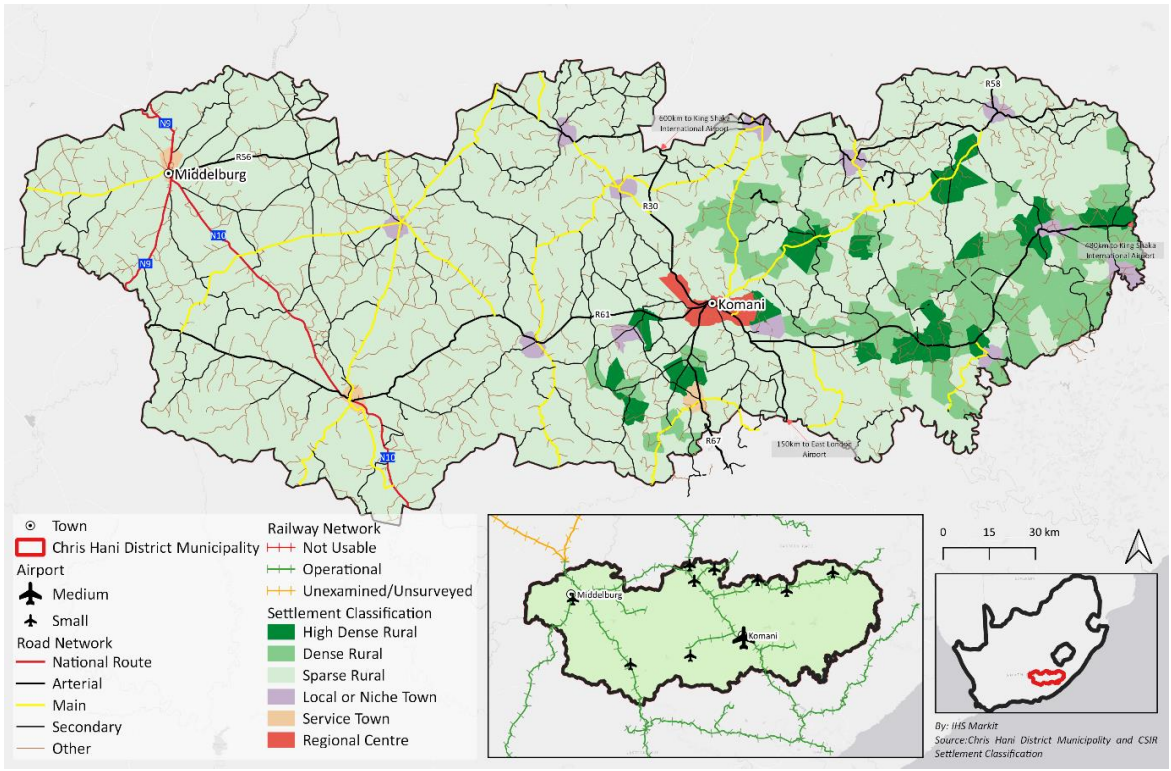
Largely, the spatial pattern of the Study Area is characterised by a “mismatch” of separate rural and urban areas, which are nevertheless functionally interrelated and dependent on a core area like Komani. It is important to note that the spatially fragmented settlement pattern of the Study Area is the result of different political historical factors, as well as administrative and ideological based development initiatives implemented in the area over the last century.

Settlement Characteristics

The district municipality is predominantly rural in character with a number of urban settlements. They are as follows: Cradock, Middleburg, Komani, Whittlesea, Tarkastad, Molteno, Hofmeyer, Cacadu (Lady Frere), Dordrecht, Indwe, Cofimvaba, Tsomo, Cala, Elliot and Engcobo. Komani is an economic hub, due to its strategic position in the Chris Hani District Municipality. Komani has signs of more compactness compare to other small urban areas in the district municipality. The settlement patterns that occur within district municipality are in the form of rural sprawl and low-density urban sprawl in small towns in municipality.

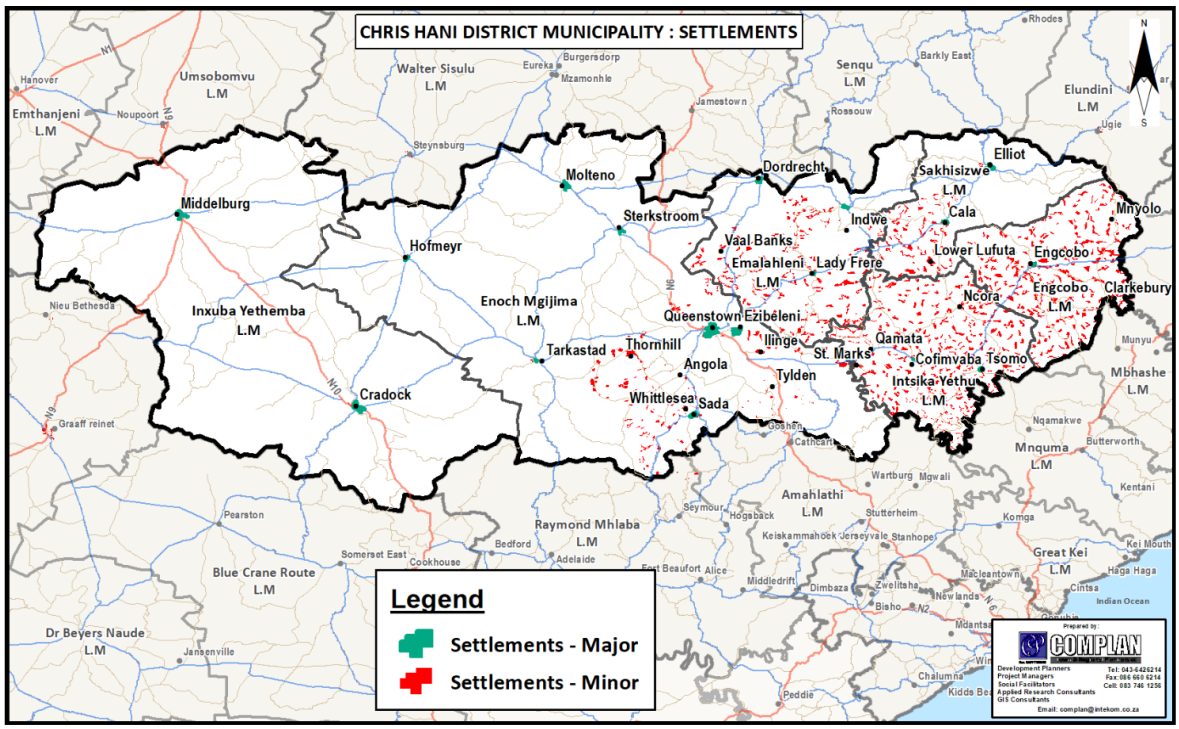
This reflects the existent texture of the already existing urban centers together with the rural villages. These above-mentioned patterns are not sustainable or effective and has given rise to settlements that range from low density agrarian communities to relatively high-density urban settlements. The layout of these rural villages is informal and are based firstly on family units and secondly on community units.

Map 2. Chris Hani District Human Settlements and Main Transport Modes



Source: IHS Markit GIS

Map 3. Chris Hani District Human Settlements: Major and Minor areas



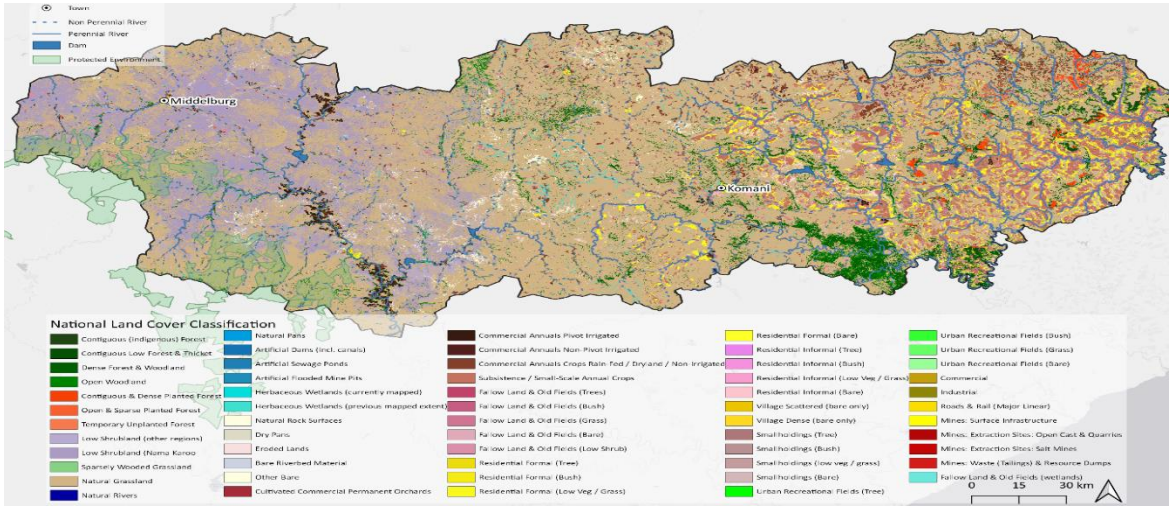
Settlement nodes

Type	Location	Local Municipality	Function of Settlement and associated typical land uses
District Centre	Queenstown	Enoch Mgijima	District-level Administrative centre Major district service centre for commercial and social goods and services Centre of educational excellence Industrial centre for value adding processes and local based manufacturing Residential development covering full range of economic bands (High income – Low-income)
Sub-District Centres	Cradock	Inxuba Yethemba	Municipal-scale Administrative Centre Municipal-scale service centre for commercial and social goods and services Residential development covering limited range of economic bands (Middle income–Low-income) Potential for value-adding agro-industrial processes Potential for event-related tourism events
	Ngcobo	Engcobo	
	Cofimvaba	Intsika Yethu	
	Lady Frere	Emalahleni	
	Cala	Sakhisizwe	
Local Centres	Middelburg	Inxuba Yethemba	Municipal-scale Administrative Centre Local-scale Service Centre for commercial and social goods and services Residential development covering limited range of economic bands (Middle income–Low-income) Potential for value-adding agro-industrial processes
	Tarkastad	Enoch Mgijima	
	Hofmeyer	Enoch Mgijima	
	Molteno	Enoch Mgijima	
	Elliot	Sakhisizwe	
	Dordrecht	Emalahleni	
Sub-Local Centres	Sterkstroom	Enoch Mgijima	Minor Administrative Functions Minor service centre for social goods and services Focused support of local economic initiatives –agriculture-based
	Sada/Whittlesea	Enoch Mgijima	
	Indwe Vaal Banks	Emalahleni	
	Tsomo	Intsika Yethu	
	Ilinge	Enoch Mgijima	

Type	Location	Local Municipality	Function of Settlement and associated typical land uses
	Thornhill	Enoch Mgijima	
	Lower Lufuta	Sakhisizwe	
	Clarkebury	Engcobo	
	Mnyolo,	Engcobo	
	Ncora	Intsika Yethu	
	Qamata	Intsika Yethu	
	St Marks	Intsika Yethu	
Rural Settlements	Rural settlements across the district	All Local Municipalities	Primarily residential and livelihood subsistence function Some provision of limited social goods and services

The Chris Hani District is classified into 58 of the 73 National Landcover Classes identified by the Department of Environment, Forestry and Fisheries. Currently, Natural Grassland covers a large portion of the district with an area of 22,889 Km2 and Low Shrubland (Nama Karoo) has an area of 4183.123 Km2 which is the second highest landcover class.

Map 4. Land Cover Classification in Chris Hani District



Source: IHS Markit GIS

The environment is constantly changing which is often caused by human activities and natural ecological processes thus the Land Cover Classes have changed as well over the period of 2018 to 2020. 30 classes experienced an increase in the area they cover, and 27 classes experienced a decrease in the area they cover. Residential Formal (Bare

experienced the greatest percentage increase of 165% in the area covered between 2018 and 2020 however, Sparsely Wooded Grassland decreased 84% between 2018 and 2020. This was the greatest decrease amongst the 58 classes.

National LAND COVER CLASSES THAT HAD THE GREATEST increase in area coverage (2018-2020)

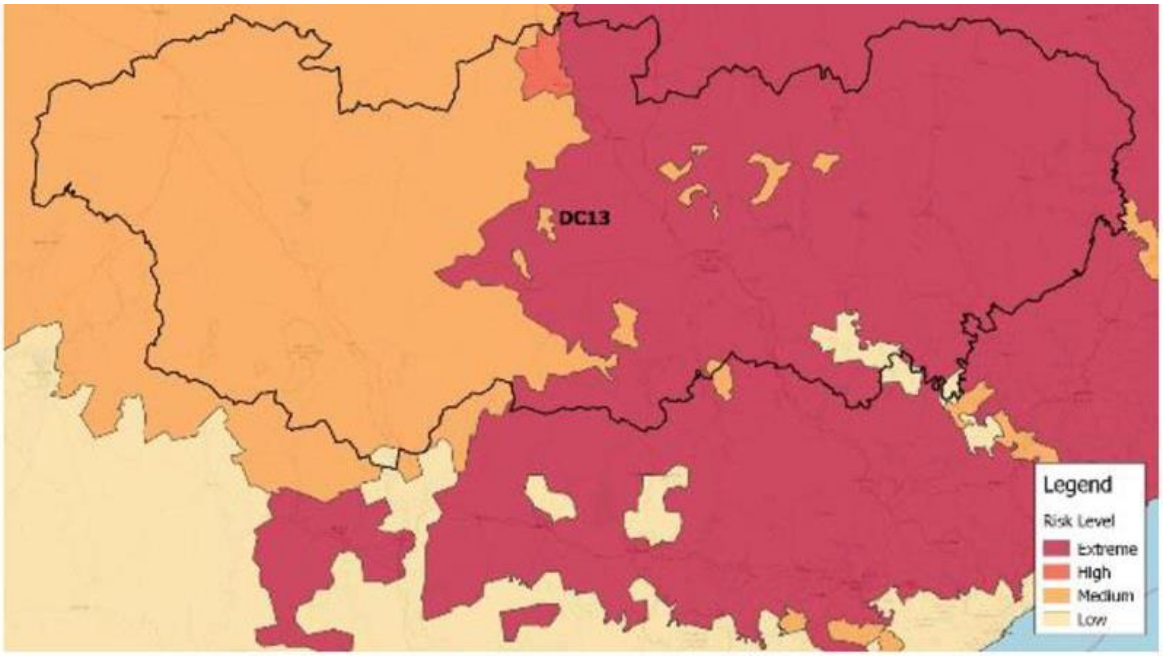
Class Names	2018 Area (Km2)	2020 Area (Km2)	Percentage Change (%)
Residential Formal (Bare)	25.974	69.021	165.73%
Industrial	1.586	3.705	133.61%
Commercial	2.381	5.427	
Cultivated Commercial Permanent Orchards	0.979	2.221	127.93%
Smallholdings (Bush)	0.061	0.118	126.86%
Residential Formal (Bush)	6.395	11.417	93.44%
Residential Formal (Tree)	34.662	53.877	78.53%
Dense Forest & Woodland	897.786	1343.77	55.44%
Temporary Unplanted Forest	17.282	24.609	49.68%
Fallow Land & Old Fields (Bush)	8.388	11.69	43.40%
Natural Pans	2.985	4.021	39.37%

10 National LAND COVER CLASSES THAT HAD THE GREATEST Decrease in area coverage (2018-2020)

Class Names	2018 Area (Km2)	2020 Area (Km2)	Percentage Change (%)
Sparsely Wooded Grassland	2.194	0.339	-84.55%
Other Bare	398.616	273.321	-31.43%
Mines: Extraction Sites: Salt Mines	0.543	0.374	-31.12%

Natural Rock Surfaces	287.481	228.478	-20.52%
Contiguous Low Forest & Thicket (combined classes)	227.568	197.943	-13.02%

Map 5. Chris Hani District Veldfire Risk



Source: CHDM Environmental Management and Climate Change Strategy 2018

2. Demography

In this section, an overview is provided of the demography of the Chris Hani District Municipality and all its neighbouring regions, the Eastern Cape Province and South Africa as a whole. This section will also provide population distributions across race, age and gender as well as an indication of population densities and various household dynamics.

2.1 Total Population

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

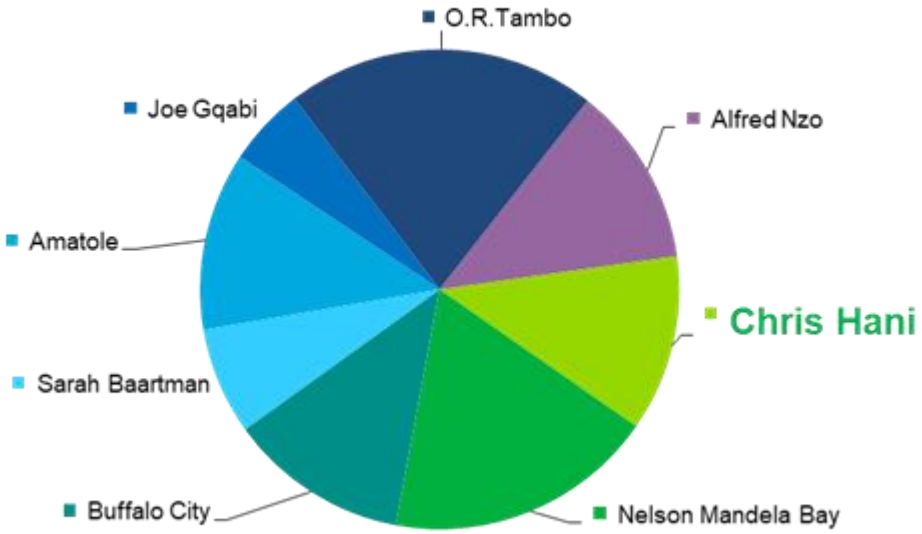
Total population - Chris Hani, Eastern Cape and National Total, 2010-2020 [Numbers percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2010	815,000	6,640,000	51,200,000	12.3%	1.59%
2011	817,000	6,690,000	52,000,000	12.2%	1.57%
2012	820,000	6,750,000	52,800,000	12.2%	1.55%
2013	824,000	6,810,000	53,700,000	12.1%	1.54%
2014	829,000	6,880,000	54,500,000	12.1%	1.52%
2015	835,000	6,950,000	55,300,000	12.0%	1.51%
2016	841,000	7,020,000	56,200,000	12.0%	1.50%
2017	848,000	7,100,000	57,000,000	12.0%	1.49%
2018	856,000	7,180,000	57,900,000	11.9%	1.48%
2019	864,000	7,250,000	58,800,000	11.9%	1.47%
2020	872,000	7,330,000	59,600,000	11.9%	1.46%
Average Annual growth					
2010-2020	0.69%	1.00%	1.55%		

Source: IHS Markit Regional eXplorer version 2201

With 872 000 people, the Chris Hani District Municipality housed 1.5% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 0.69% per annum which is about half than the growth rate of South Africa as a whole (1.55%). Compared to Eastern Cape's average annual growth rate (1.00%), the growth rate in Chris Hani's population at 0.69% was close to half than that of the province.

Total population - Chris Hani and the rest of Eastern Cape, 2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

When compared to other regions, the Chris Hani District Municipality accounts for a total population of 872,000, or 11.9% of the total population in the Eastern Cape Province, with the O.R.Tambo being the most populous region in the Eastern Cape Province for 2020. Chris Hani decreased in importance from ranking fourth in 2010 to sixth in 2020. In terms of its share the Chris Hani District Municipality was slightly smaller in 2020 (11.9%) compared to what it was in 2010 (12.3%). When looking at the average annual growth rate, it is noted that Chris Hani ranked seventh (relative to its peers in terms of growth) with an average annual growth rate of 0.7% between 2010 and 2020.

Total population - local municipalities of Chris Hani District Municipality, 2010, 2015 and 2020 [Numbers percentage]

	2010	2015	2020	Average Annual growth
Inxuba Yethemba	65,500	69,400	73,700	1.18%
Intsika Yethu	154,000	153,000	157,000	0.22%
Emalahleni	122,000	124,000	129,000	0.57%
Engcobo	158,000	159,000	165,000	0.43%
Sakhisizwe	63,300	64,100	66,700	0.53%
Enoch Mgijima	252,000	265,000	281,000	1.09%
Chris Hani	814,690	834,662	872,465	0.69%

Source: IHS Markit Regional eXplorer version 2201

The Inxuba Yethemba Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.18%, the Enoch Mgijima Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.09%. The Intsika Yethu Local Municipality had the lowest average annual growth rate of 0.22% relative to the other within the Chris Hani District Municipality.

2.2 Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

Population by gender - Chris Hani and the rest of Eastern Cape Province, 2020 [Number].

	Male	Female	Total
Chris Hani	419,685	452,780	872,465
Nelson Mandela Bay	648,360	690,450	1,338,810
Buffalo City	428,994	462,151	891,146
Sarah Baartman	263,786	266,085	529,871
Amatole	418,160	462,032	880,192
Joe Gqabi	186,617	203,223	389,841
O.R.Tambo	719,690	819,309	1,538,999
Alfred Nzo	411,813	480,627	892,440
Eastern Cape	3,497,105	3,836,657	7,333,763

Source: IHS Markit Regional eXplorer version 2201

Chris Hani District Municipality's male/female split in population was 92.7 males per 100 females in 2020. The Chris Hani District Municipality appears to be a fairly stable population with the share of female population (51.90%) being very similar to the national average of (51.12%). In total there were 453 000 (51.90%) females and 420 000 (48.10%) males. This is different from the Eastern Cape Province as a whole where the female population counted 3.84 million which constitutes 52.31% of the total population of 7.33 million.

Population by population group, Gender and Age - Chris Hani District Municipality, 2020 [Number].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	44,400	46,400	422	417	1,820	1,810	131	105
05-09	45,100	46,800	385	464	1,870	1,820	88	87
10-14	41,400	44,200	501	379	1,860	1,810	71	89
15-19	33,300	37,900	414	368	1,350	1,530	77	57
20-24	29,800	33,800	354	344	1,360	1,470	76	216
25-29	34,000	40,300	549	544	1,580	1,480	91	424
30-34	29,900	34,500	557	516	1,450	1,260	116	326
35-39	26,400	28,000	533	521	1,220	1,160	82	222
40-44	18,600	17,400	533	567	1,070	979	78	173
45-49	17,800	12,100	658	630	877	984	59	86
50-54	18,100	8,640	692	683	813	790	33	67
55-59	20,300	9,590	619	635	889	710	49	30
60-64	20,100	9,710	601	518	782	639	48	40
65-69	16,000	8,370	495	510	625	449	12	22
70-74	13,600	7,610	364	397	442	308	14	13
75+	16,000	7,200	573	383	430	227	36	22
Total	425,000	392,000	8,250	7,880	18,400	17,400	1,060	1,980

Source: IHS Markit Regional eXplorer version 2201

In 2020, the Chris Hani District Municipality's population consisted of 93.69% African (817 000), 1.85% White (16 100), 4.11% Coloured (35 900) and 0.35% Asian (3 040) people.

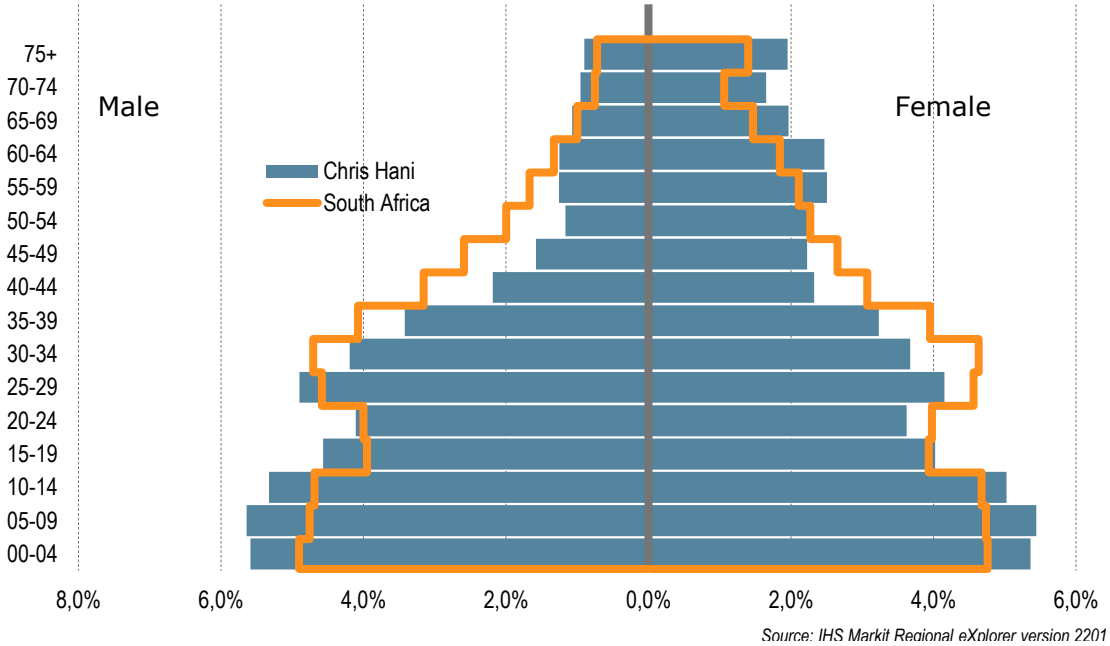
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 282 000 or 32.4% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 28.1%, followed by the teenagers and youth (15-24 years) age category with 142 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 74 100 people, as reflected in the population pyramids below.

2.2.1 Population Pyramids

A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

With the African population group representing 93.7%of the Chris Hani District Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Chris Hani's population structure of 2020 to that of South Africa.

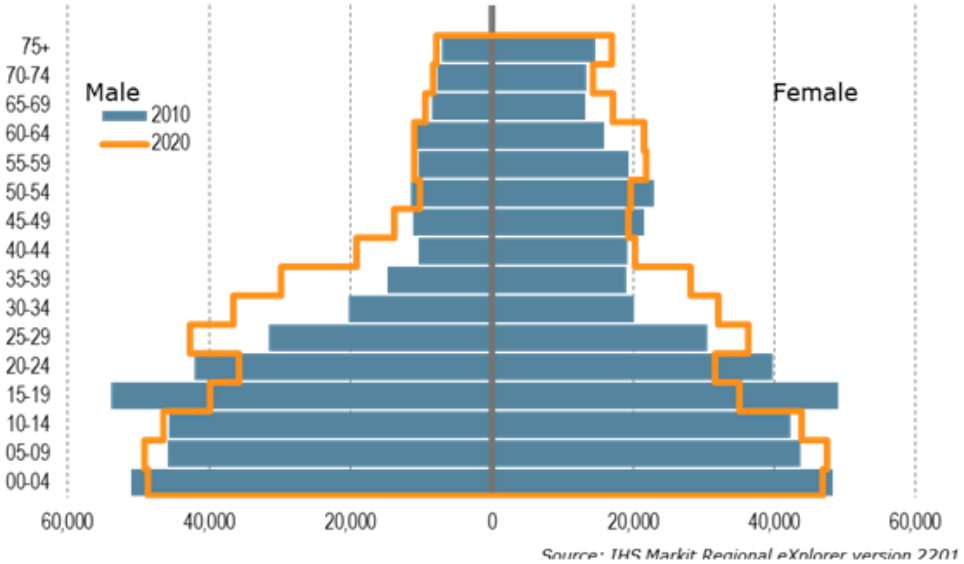
Population pyramid - Chris Hani District Municipality vs. South Africa, 2020 [Percentage]



By comparing the population pyramid of the Chris Hani District Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (24.7%) - in Chris Hani, compared to the national picture (26.5%).
- Fertility in Chris Hani is significantly higher compared to South Africa as a whole.
- Spatial policies changed since 1994.
- The share of children between the ages of 0 to 14 years is significantly larger (32.4%) in Chris Hani compared to South Africa (28.5%). Demand for expenditure on schooling as percentage of total budget within Chris Hani District Municipality will therefore be higher than that of South Africa.

Population pyramid - Chris Hani District Municipality, 2010 vs. 2020 [Percentage]



When comparing the 2010 population pyramid with the 2020 pyramid for the Chris Hani District Municipality, some interesting differences are visible:

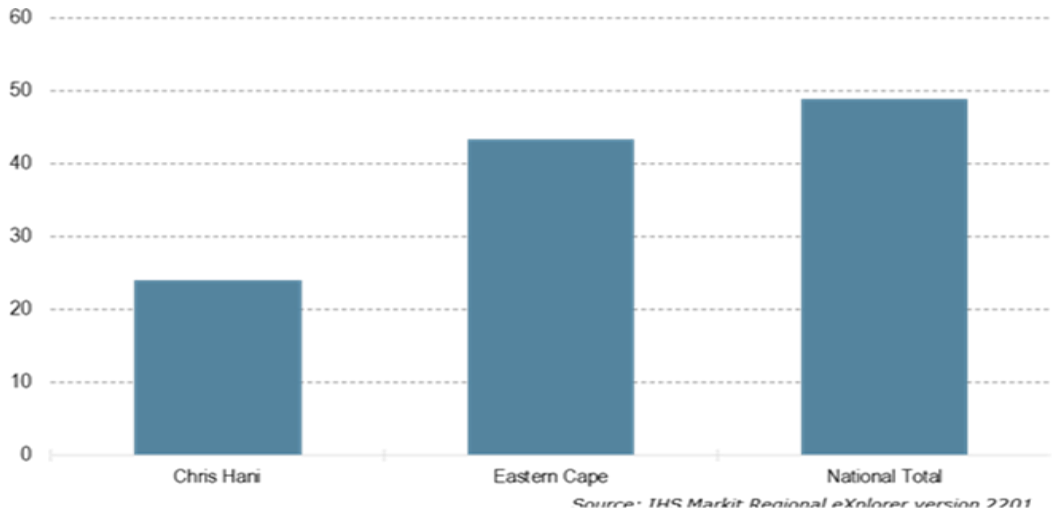
- In 2010, there were a significant smaller share of young working age people - aged 20 to 34 (22.6%) - compared to 2020 (24.7%).
- Fertility in 2010 was slightly higher compared to that of 2020.
- The share of children between the ages of 0 to 14 years is significantly larger in 2010 (34.0%) compared to 2020 (32.4%).
- Life expectancy is increasing.

In 2020, the female population for the 20 to 34 years age group amounted to 11.1% of the total female population while the male population group for the same age amounted to 11.5% of the total male population. In 2010 the male working age population at 13.2% still exceeds that of the female population working age population at 11.5%.

2.3 Population Density

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

Population density - Chris Hani, Eastern Cape and National Total, 2020 [number of people per km]



In 2020, with an average of 24 people per square kilometre, Chris Hani District Municipality had a lower population density than Eastern Cape (43.4 people per square kilometre). Compared to South Africa (48.8 per square kilometre) it can be seen that there are less people living per square kilometre in Chris Hani District Municipality than in South Africa.

Population density - Chris Hani and the rest of Eastern Cape, 2010-2020 [number of people per km]

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Chris Hani	22.38	22.45	22.53	22.63	22.77	22.93	23.10	23.30	23.51	23.74	23.96
Nelson Mandela Bay	589.45	599.45	609.50	619.41	629.20	638.95	648.37	657.74	666.71	675.50	684.13
Buffalo City	286.99	290.32	293.74	297.25	300.87	304.64	308.42	312.35	316.20	320.11	324.02
Sarah Baartman	7.72	7.86	8.00	8.15	8.29	8.43	8.57	8.70	8.84	8.97	9.10
Amatole	41.34	41.13	40.92	40.80	40.75	40.77	40.84	40.99	41.18	41.41	41.68
Joe Gqabi	13.81	13.90	14.00	14.12	14.25	14.40	14.55	14.72	14.88	15.05	15.22
O.R.Tambo	114.44	115.46	116.44	117.50	118.67	119.94	121.21	122.56	123.96	125.36	126.76
Alfred Nzo	75.92	76.44	76.95	77.56	78.25	79.00	79.77	80.61	81.47	82.32	83.16

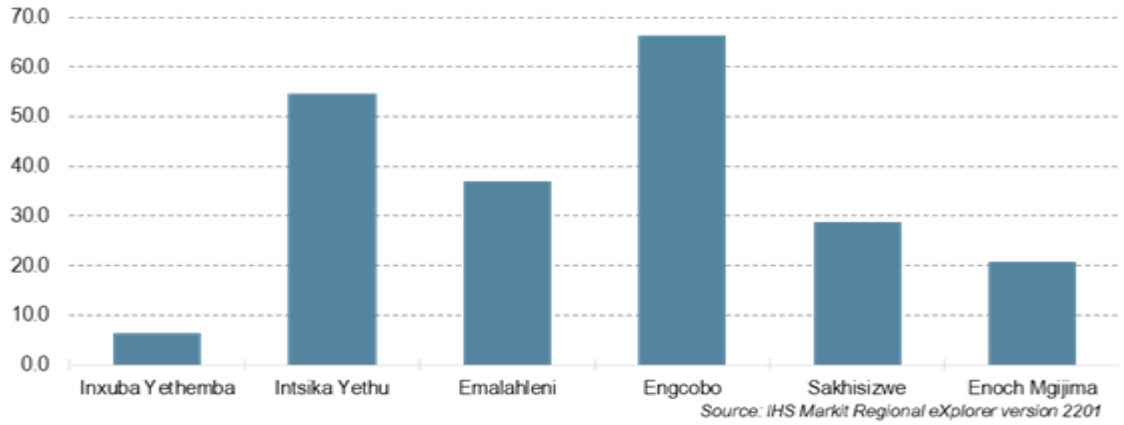
Source: IHS Markit Regional eXplorer version 2201

In 2020, Chris Hani District Municipality had a population density of 24 per square kilometre and it ranked highest amongst its piers. The region with the highest population density per square kilometre was the Nelson Mandela Bay with a total population density of 684 per

square kilometre per annum. In terms of growth, Chris Hani District Municipality had an average annual growth in its population density of 0.69% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Sarah Baartman with an average annual growth rate of 1.66% per square kilometre. In 2020, the region with the lowest population density within Eastern Cape Province was Sarah Baartman with 9.1 people per square kilometre. The region with the lowest average annual growth rate was the Amatole with an average annual growth rate of 0.08% people per square kilometre over the period under discussion.

Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.

Population Density - local municipalities and the rest of Chris Hani District Municipality, 2020 [Number of people per KM]



In terms of the population density for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest density, with 66.4 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba Local Municipality with a total of 6.32 people per square kilometre.

2.4 Number of Households by Population Group

A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2020, the Chris Hani District Municipality comprised of 224 000 households. This equates to an average annual growth rate of 0.53% in the number of households from 2010 to 2020. With an average annual growth rate of 0.69% in the total population, the average household size in the Chris Hani District Municipality is by implication increasing. This is confirmed by the data where

the average household size in 2010 increased from approximately 3.8 individuals per household to 3.9 persons per household in 2020.

Number of households - Chris Hani, Eastern Cape and National Total, 2010-2020 [Number percentage]

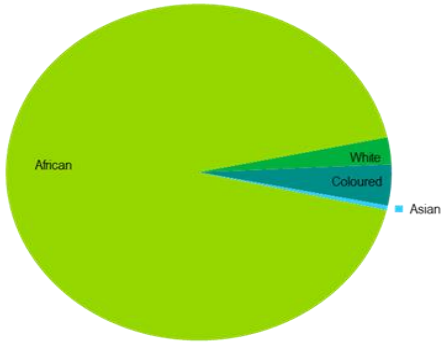
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2010	213,000	1,690,000	14,000,000	12.6%	1.52%
2011	215,000	1,710,000	14,300,000	12.6%	1.50%
2012	217,000	1,730,000	14,600,000	12.5%	1.48%
2013	218,000	1,750,000	14,900,000	12.5%	1.46%
2014	219,000	1,760,000	15,200,000	12.4%	1.44%
2015	222,000	1,790,000	15,600,000	12.4%	1.42%
2016	227,000	1,830,000	16,000,000	12.4%	1.42%
2017	232,000	1,880,000	16,300,000	12.4%	1.43%
2018	235,000	1,900,000	16,400,000	12.3%	1.43%
2019	230,000	1,870,000	16,500,000	12.3%	1.40%
2020	224,000	1,830,000	16,500,000	12.2%	1.36%
Average Annual growth					
2010-2020	0.53%	0.79%	1.60%		

Source: IHS Markit Regional eXplorer version 2201

Relative to the province, the Chris Hani District Municipality had a lower average annual growth rate of 0.53% from 2010 to 2020. In contrast, the South Africa had a total of 16.5 million households, with a growth rate of 1.60%, thus growing at a higher rate than the Chris Hani.

The composition of the households by population group consists of 93.1% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 3.9% (ranking second). The White population group had a total composition of 2.6% of the total households. The smallest population group by households is the Asian population group with only 0.4% in 2020.

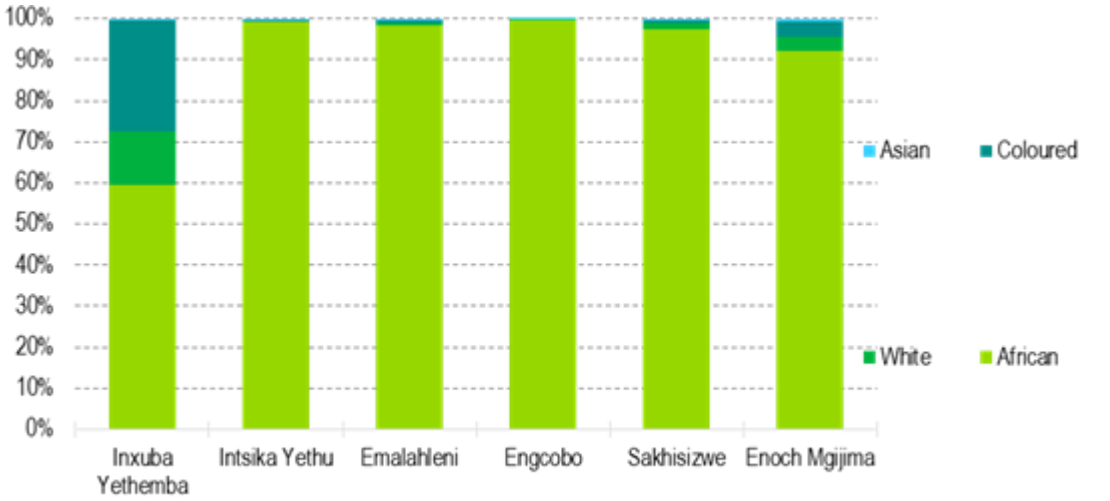
Number of households by population group - Chris Hani District Municipality, 2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

The growth in the number of African headed households was on average 0.54% per annum between 2010 and 2020, which translates in the number of households increasing by 10 900 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2010 and 2020 at 6.43%. The average annual growth rate in the number of households for all the other population groups has increased with 0.51%.

Number of households by population group - local municipalities of Chris Hani District Municipality, 2020 [percentage]



Source: IHS Markit Regional eXplorer version 2201

2.5 Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

Households by income category - Chris Hani, Eastern Cape and National Total, 2020 [Number Percentage]

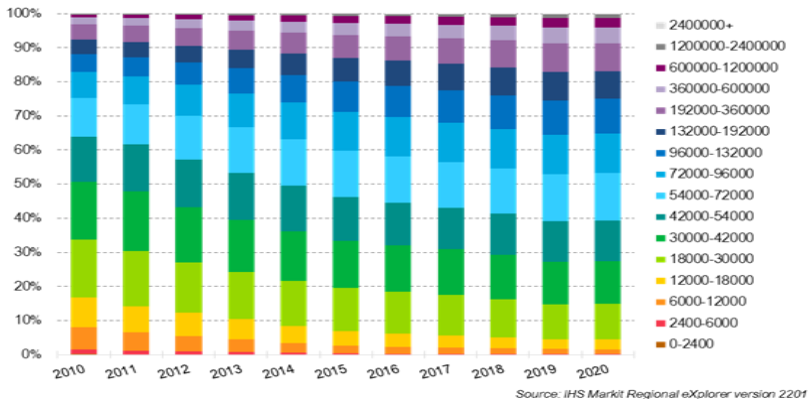
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
0-2400	16	136	1,350	11.9%	1.19%
2400-6000	316	2,720	25,000	11.6%	1.27%
6000-12000	3,220	27,000	229,000	12.0%	1.41%
12000-18000	6,550	53,400	439,000	12.3%	1.49%
18000-30000	23,300	185,000	1,440,000	12.5%	1.62%
30000-42000	28,000	212,000	1,550,000	13.2%	1.81%
42000-54000	27,000	201,000	1,510,000	13.4%	1.79%
54000-72000	31,500	238,000	1,870,000	13.2%	1.69%
72000-96000	25,700	196,000	1,640,000	13.1%	1.57%
96000-132000	22,900	179,000	1,620,000	12.8%	1.42%
132000-192000	18,200	151,000	1,450,000	12.1%	1.25%
192000-360000	18,600	168,000	1,830,000	11.1%	1.01%
360000-600000	10,200	103,000	1,270,000	9.9%	0.80%
600000-1200000	6,280	75,400	1,040,000	8.3%	0.61%
1200000-2400000	2,560	33,500	466,000	7.6%	0.55%
2400000+	372	5,770	82,900	6.4%	0.45%
Total	225,000	1,830,000	16,500,000	12.3%	1.36%

Source: IHS Markit Regional eXplorer version 2201

It was estimated that in 2020 14.86% of all the households in the Chris Hani District Municipality, were living on R30,000 or less per annum. In comparison with 2010's 33.74%, the number is about half. The 54000-72000 income category has the highest number of

households with a total number of 31 500, followed by the 30000-42000 income category with 28 000 households. Only 16 households fall within the 0-2400 income category.

Households by income bracket - Chris Hani District Municipality, 2010-2020 [Percentage]



For the period 2010 to 2020 the number of households earning more than R30,000 per annum has increased from 66.26% to 85.14%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

2.6 Annual total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been considered.

Annual total personal income - Chris Hani, Eastern Cape and National TOTAL [Current Prices, R billions]

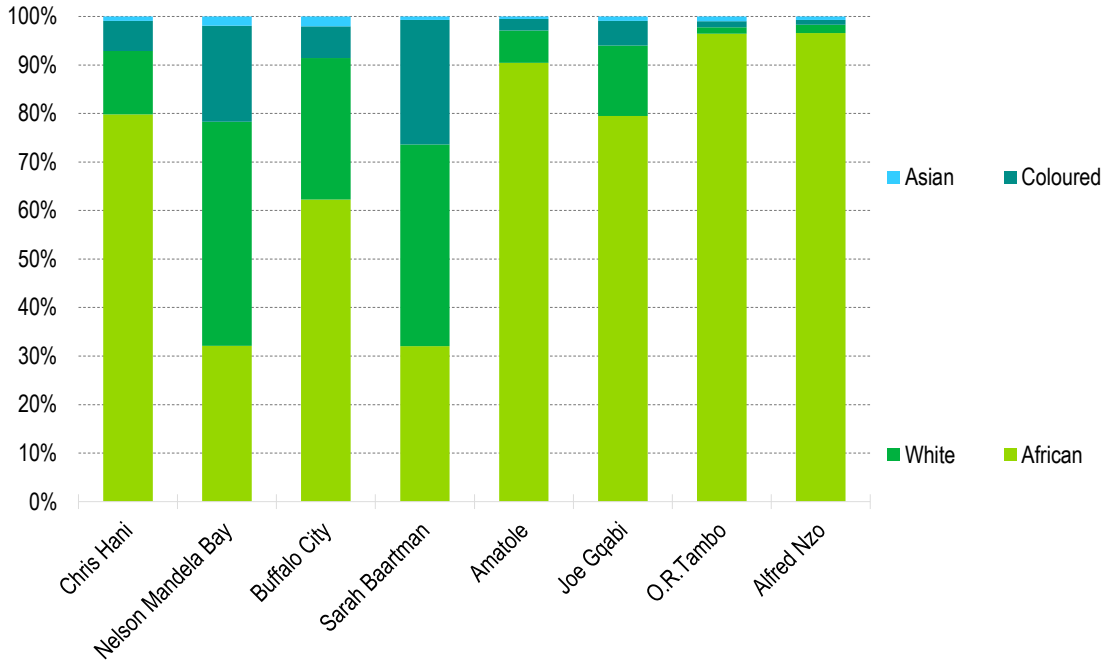
	Chris Hani	Eastern Cape	National Total
2010	16.8	174.0	2,114.5
2011	18.2	188.7	2,314.9
2012	20.3	210.7	2,525.0
2013	22.2	229.3	2,729.4
2014	24.1	247.2	2,938.2
2015	26.4	269.8	3,180.0

	Chris Hani	Eastern Cape	National Total
2016	28.4	288.5	3,413.6
2017	30.9	312.1	3,662.1
2018	33.2	333.3	3,899.6
2019	34.8	349.6	4,092.3
2020	33.8	338.7	3,970.5
Average Annual growth			
2010-2020	7.26%	6.89%	6.50%

Source: IHS Markit Regional eXplorer version 2201

Chris Hani District Municipality recorded an average annual growth rate of 7.26% (from R 16.8 billion to R 33.8 billion) from 2010 to 2020, which is more than both Eastern Cape's (6.89%) as well as South Africa's (6.50%) average annual growth rates.

Annual total personal income by population group - Chris Hani and the rest of Eastern Cape [Current Prices, R billions]



Source: IHS Markit Regional eXplorer version 2201

The total personal income of Chris Hani District Municipality amounted to approximately R 33.8 billion in 2020. The African population group earned R 27 billion, or 79.84% of total personal income, while the White population group earned R 4.41 billion, or 13.05% of the total personal income. The Coloured and the Asian population groups only had a share of 6.22% and 0.89% of total personal income respectively.

Annual total personal income - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local MUNICIPALITIES [Current Prices, R billions]

	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima
2010	2.43	2.39	1.83	2.34	1.28	6.51
2011	2.65	2.57	1.99	2.53	1.38	7.10
2012	3.01	2.85	2.21	2.78	1.51	7.97
2013	3.33	3.09	2.42	3.01	1.62	8.72
2014	3.66	3.36	2.64	3.24	1.74	9.46
2015	4.02	3.70	2.91	3.54	1.87	10.38
2016	4.34	4.00	3.16	3.78	1.97	11.12
2017	4.76	4.39	3.47	4.12	2.13	12.01
2018	5.13	4.77	3.78	4.44	2.28	12.78
2019	5.42	5.03	4.00	4.66	2.38	13.35
2020	5.29	4.92	3.92	4.52	2.30	12.85
Average Annual growth						
2010-2020	8.09%	7.49%	7.89%	6.82%	6.06%	7.04%

Source: IHS Markit Regional eXplorer version 2201

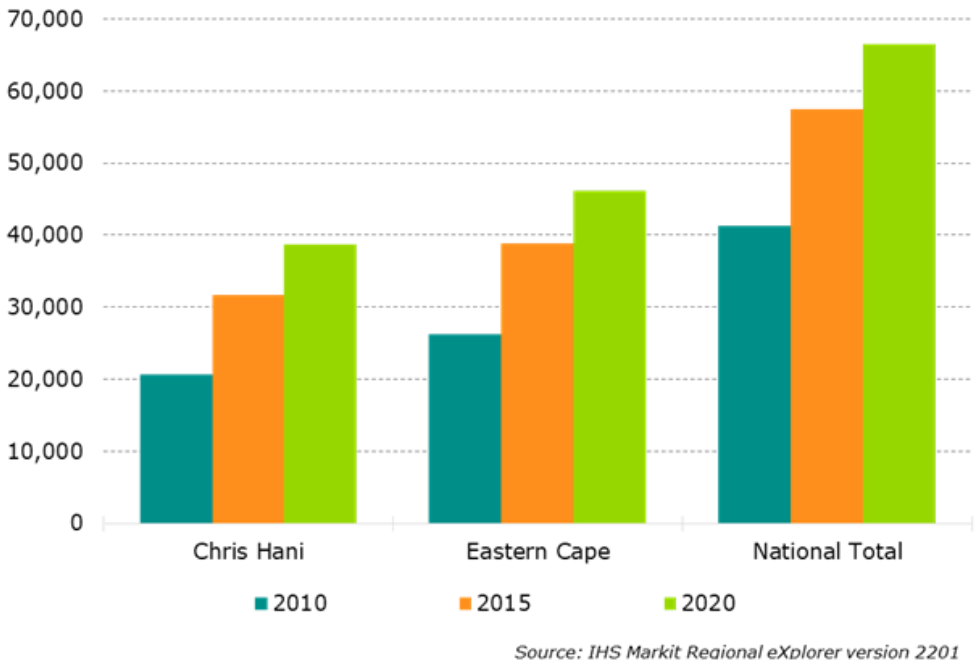
When looking at the annual total personal income for the regions within Eastern Cape Province it can be seen that the Enoch Mgijima Local Municipality had the highest total personal income with R 12.8 billion which increased from R 6.51 billion recorded in 2010. It can be seen that the Sakhisizwe Local Municipality had the lowest total personal income of R 2.3 billion in 2020, this increased from R 1.28 billion in 2010.

2.7 Annual per Capita Income

Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

Per capita income - Chris Hani, Eastern Cape and National Total, 2020 [Rand, current prices]



The per capita income in Chris Hani District Municipality is R 38,800 and is lower than both the National Total (R 66,600) and of the Eastern Cape Province (R 46,200) per capita income.

Per capita income by population group - Chris Hani and the rest of Eastern Cape Province, 2020 [Rand, current prices]

	African	White	Coloured	Asian
Chris Hani	33,000	274,000	58,600	99,600
Nelson Mandela Bay	39,900	290,000	65,600	146,000
Buffalo City	47,400	295,000	73,200	148,000
Sarah Baartman	38,700	279,000	51,500	108,000
Amatole	31,500	217,000	48,900	88,500
Joe Gqabi	33,200	268,000	58,200	120,000
O.R.Tambo	25,800	184,000	66,100	90,700
Alfred Nzo	21,800	166,000	49,000	76,400

Source: IHS Markit Regional eXplorer version 2201

Nelson Mandela Bay Metropolitan Municipality has the highest per capita income with a total of R 78,100. Sarah Baartman District Municipality had the second highest per capita income at R 67,500, whereas Alfred Nzo District Municipality had the lowest per capita income at R 22,300. In Chris Hani District Municipality, the White population group has the highest per

capita income, with R 274,000, relative to the other population groups. The population group with the second highest per capita income within Chris Hani District Municipality is the Asian population group (R 99,600), where the Coloured and the African population groups had a per capita income of R 58,600 and R 33,000 respectively.

3. Access to Basic Household Services

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

The next few sections offer an overview of the household infrastructure of the Chris Hani District Municipality between 2020 and 2010.

3.1 Household by Dwelling Type

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. .

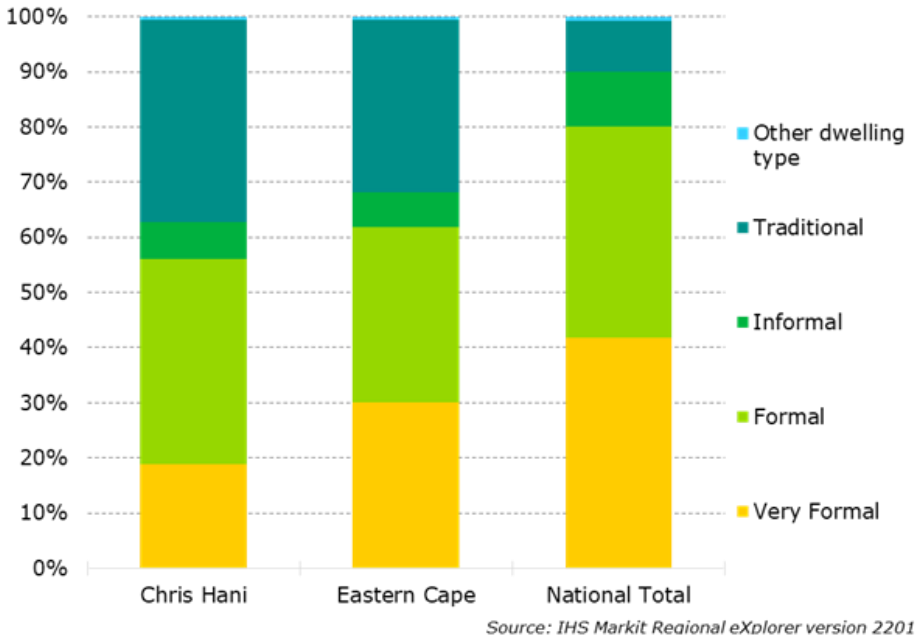
Formal dwellings - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.

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.

Households by dwelling unit type - Chris Hani, Eastern Cape and National Total, 2020 [Percentage]



Chris Hani District Municipality had a total number of 42 200 (18.83% of total households) very formal dwelling units, a total of 83 700 (37.30% of total households) formal dwelling units and a total number of 14 800 (6.61% of total households) informal dwelling units.

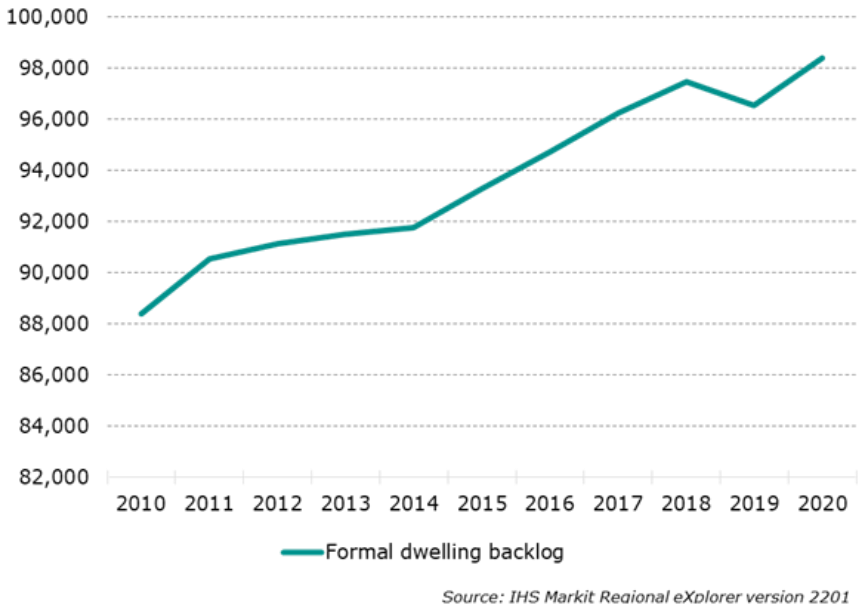
Households by dwelling unit type - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2020 [Number]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Inxuba Yethemba	12,979	7,418	91	182	108	20,777
Intsika Yethu	404	10,004	4,398	26,806	248	41,860
Emalahleni	1,277	12,595	3,010	15,843	403	33,128
Engcobo	259	8,640	4,845	24,558	428	38,730
Sakhisizwe	1,924	8,511	1,086	5,071	82	16,674
Enoch Mgijima	25,400	36,510	1,404	9,618	221	73,152
Total Chris Hani	42,243	83,677	14,833	82,078	1,490	224,321

Source: IHS Markit Regional eXplorer version 2201

The region within the Chris Hani District Municipality with the highest number of very formal dwelling units is the Enoch Mgijima Local Municipality with 25 400 or a share of 60.13% of the total very formal dwelling units within Chris Hani District Municipality. The region with the lowest number of very formal dwelling units is the Engcobo Local Municipality with a total of 259 or a share of 0.61% of the total very formal dwelling units within Chris Hani District Municipality.

Formal dwelling backlog - number of Households not living in a formal dwelling - Chris Hani District Municipality, 2010-2020 [Number of Households]



Source: IHS Markit Regional eXplorer version 2201

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2010 the number of households not living in a formal dwelling were 88 400 within Chris Hani District Municipality. From 2010 this number increased annually at 1.08% to 98 400 in 2020.

The total number of households within Chris Hani District Municipality increased at an average annual rate of 0.53% from 2010 to 2020, which is higher than the annual increase of 1.60% in the number of households in South Africa.

3.2 Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

No toilet - No access to any of the toilet systems explained below.

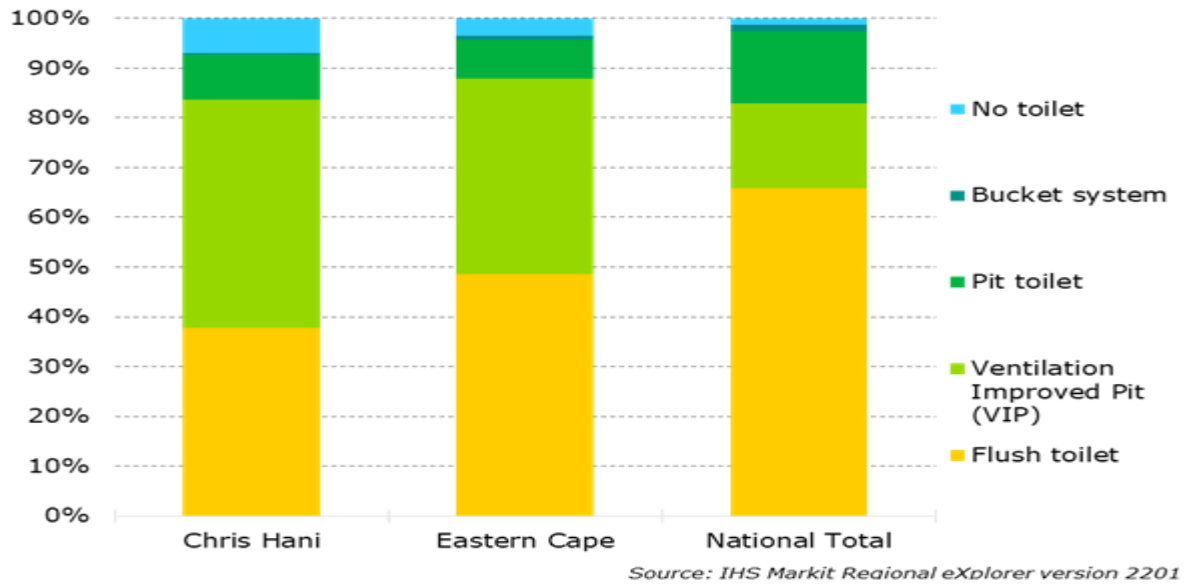
Bucket system - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).

Pit toilet - A top structure over a pit.

Ventilation improved pit - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.

Flush toilet - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

Households by type of sanitation - Chris Hani, Eastern Cape and National Total, 2020 [Percentage]



Chris Hani District Municipality had a total number of 84 600 flush toilets (37.73% of total households), 103 000 Ventilation Improved Pit (VIP) (45.82% of total households) and 20 500 (9.13%) of total households pit toilets.

Households by type of sanitation - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2020 [Number]

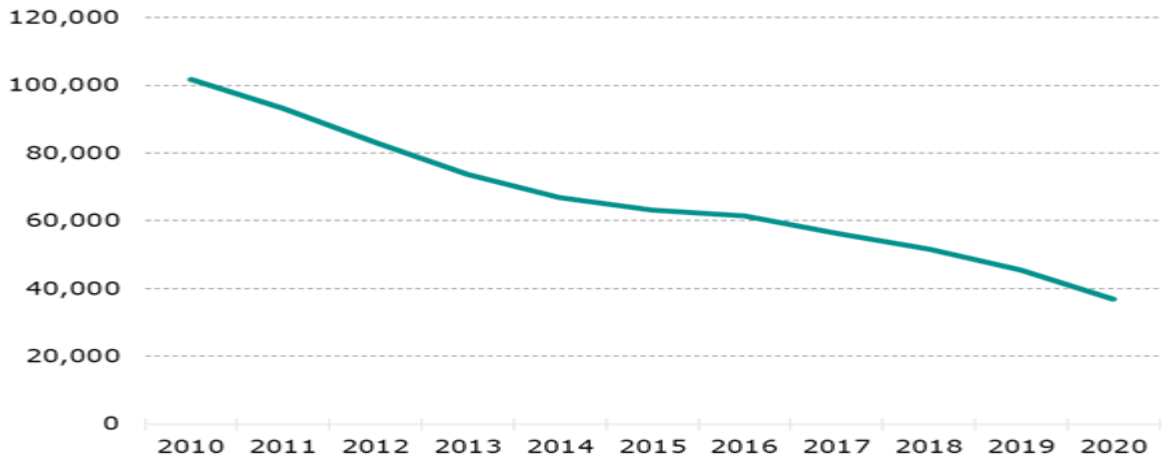
	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Inxuba Yethemba	19,426	329	208	60	754	20,777
Intsika Yethu	3,417	25,913	7,223	36	5,271	41,860
Emalahleni	8,172	18,520	3,700	111	2,626	33,128
Engcobo	4,583	25,721	4,222	36	4,169	38,730
Sakhisizwe	5,189	8,298	2,009	78	1,100	16,674
Enoch Mgijima	43,857	24,003	3,111	397	1,784	73,152

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Total Chris Hani	84,644	102,783	20,473	717	15,704	224,321

Source: IHS Markit Regional eXplorer version 2201

The region within Chris Hani with the highest number of flush toilets is Enoch Mgijima Local Municipality with 43 900 or a share of 51.81% of the flush toilets within Chris Hani. The region with the lowest number of flush toilets is Intsika Yethu Local Municipality with a total of 3 420 or a share of 4.04% of the total flush toilets within Chris Hani District Municipality.

Sanitation backlog - Chris Hani District Municipality, 2010-2020 [Number of households without hygienic toilets]



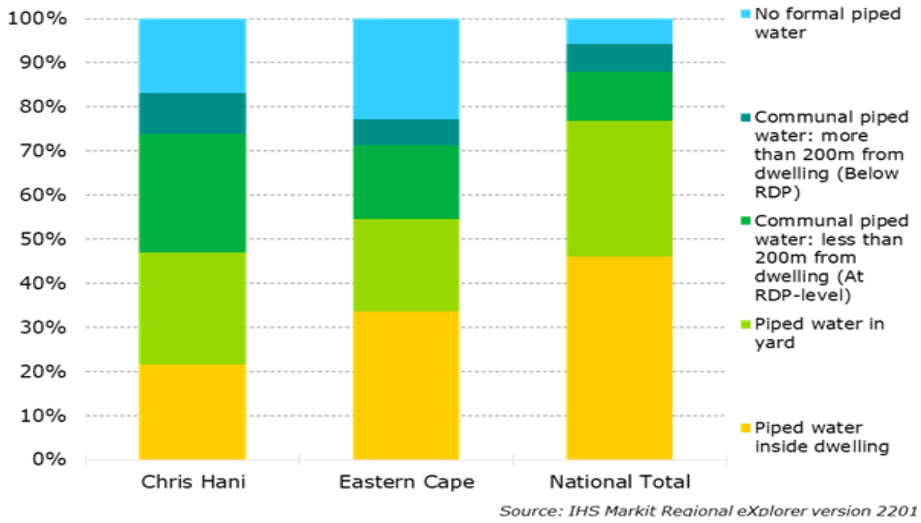
Source: IHS Markit Regional eXplorer version 2201

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2010 the number of Households without any hygienic toilets in Chris Hani District Municipality was 102 000, this decreased annually at a rate of -9.64% to 36 900 in 2020.

3.3 Households by Access to water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

Households by type of water access - Chris Hani, Eastern Cape and National Total, 2020 [Percentage]



Chris Hani District Municipality had a total number of 48 600 (or 21.64%) households with piped water inside the dwelling, a total of 56 600 (25.25%) households had piped water inside the yard and a total number of 37 700 (16.80%) households had no formal piped water.

Households by type of water access - Chris Hani District Municipality, 2020 [Number]

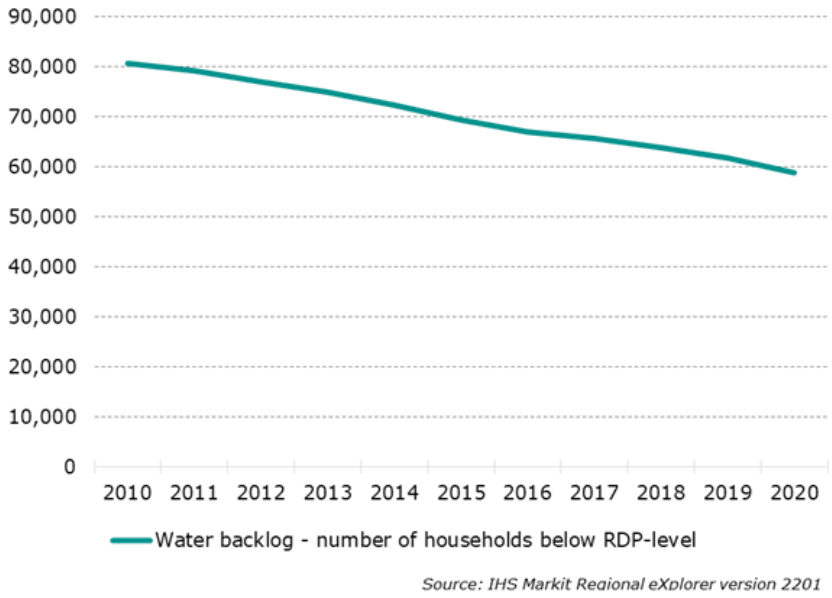
	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Inxuba Yethemba	12,358	7,677	293	32	417	20,777
Intsika Yethu	2,699	4,142	16,847	6,721	11,451	41,860
Emalahleni	2,095	9,634	13,496	4,156	3,747	33,128
Engcobo	3,162	2,567	10,578	4,869	17,554	38,730
Sakhisizwe	2,910	6,086	4,488	1,508	1,681	16,674
Enoch Mgijima	25,325	26,537	14,667	3,786	2,838	73,152
Total Chris Hani	48,549	56,642	60,369	21,072	37,689	224,321

Source: IHS Markit Regional eXplorer version 2201

The regions within Chris Hani District Municipality with the highest number of households with piped water inside the dwelling is Enoch Mgijima Local Municipality with 25 300 or a

share of 52.16% of the households with piped water inside the dwelling within Chris Hani District Municipality. The region with the lowest number of households with piped water inside the dwelling is Emalahleni Local Municipality with a total of 2 100 or a share of 4.32% of the total households with piped water inside the dwelling within Chris Hani District Municipality.

Water backlog - Chris Hani District Municipality, 2010-2020 [Number of households below RDP-level]

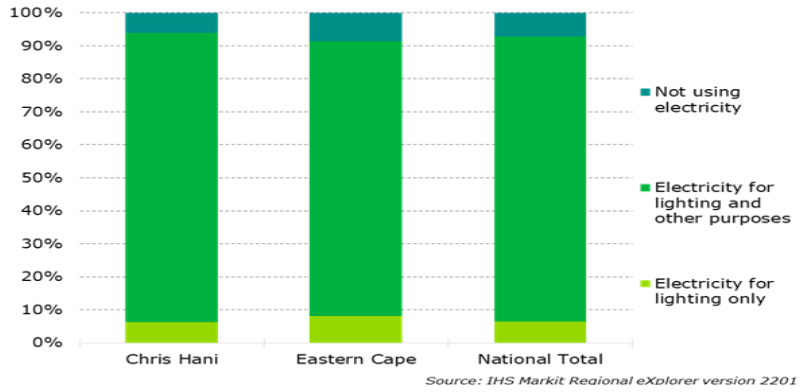


When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2010 the number of households below the RDP-level were 80 600 within Chris Hani District Municipality, this decreased annually at -3.11% per annum to 58 800 in 2020.

3.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

Households by type of electrical connection - Chris Hani, Eastern Cape and National Total, 2020 [Percentage]



Chris Hani District Municipality had a total number of 13 900 (6.21%) households with electricity for lighting only, a total of 197 000 (87.77%) households had electricity for lighting and other purposes and a total number of 13 500 (6.03%) households did not use electricity.

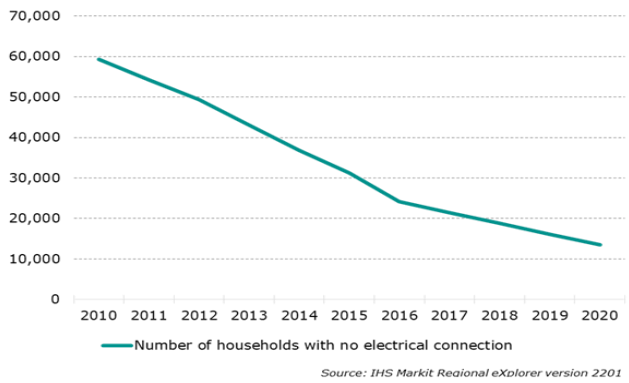
Households by type of electrical connection - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2020 [Number]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Inxuba Yethemba	290	20,152	335	20,777
Intsika Yethu	3,843	34,227	3,791	41,860
Emalahleni	1,624	29,844	1,661	33,128
Engcobo	5,317	29,139	4,274	38,730
Sakhisizwe	912	14,967	794	16,674
Enoch Mgijima	1,938	68,552	2,662	73,152
Total Chris Hani	13,924	196,881	13,516	224,321

Source: IHS Markit Regional eXplorer version 2201

The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima Local Municipality with 68 600 or a share of 34.82% of the households with electricity for lighting and other purposes within Chris Hani District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Sakhisizwe Local Municipality with a total of 15 000 or a share of 7.60% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.

Electricity connection - Chris Hani District Municipality, 2010-2020 [Number of households with no electrical connection]



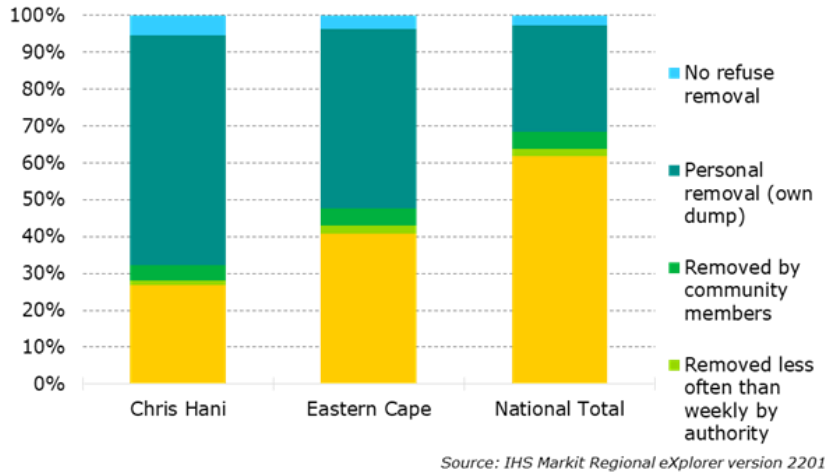
When looking at the number of households with no electrical connection over time, it can be seen that in 2010 the households without an electrical connection in Chris Hani District Municipality was 59 300, this decreased annually at -13.75% per annum to 13 500 in 2020.

3.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuge is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

Households by refuse disposal - Chris Hani, Eastern Cape and National Total, 2020 [Percentage]



Chris Hani District Municipality had a total number of 60 500 (26.95%) households which had their refuse removed weekly by the authority, a total of 2 380 (1.06%) households had their refuse removed less often than weekly by the authority and a total number of 140 000 (62.46%) households which had to remove their refuse personally (own dump).

Households by refuse disposal - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2020 [Number]

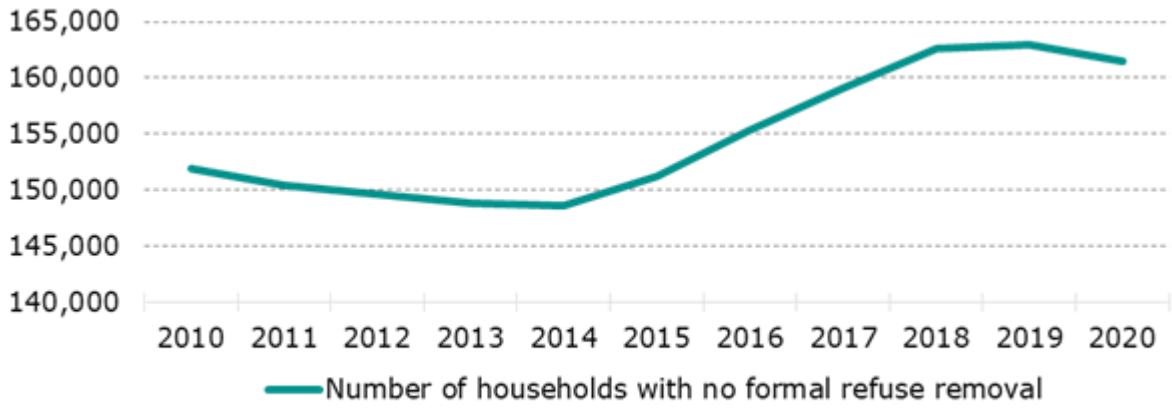
	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Inxuba Yethemba	16,416	901	682	2,629	150	20,777
Intsika Yethu	1,141	152	1,712	35,623	3,231	41,860
Emalahleni	3,760	109	1,363	25,972	1,925	33,128
Engcobo	832	340	1,182	32,670	3,707	38,730
Sakhisizwe	1,696	139	1,135	12,173	1,530	16,674
Enoch Mgijima	36,611	734	3,190	31,053	1,564	73,152
Total Chris Hani	60,456	2,375	9,265	140,120	12,106	224,321

Source: IHS Markit Regional eXplorer version 2201

The region within Chris Hani with the highest number of households where the refuse is removed weekly by the authority is Enoch Mgijima Local Municipality with 36 600 or a share of 60.56% of the households where the refuse is removed weekly by the authority within Chris Hani. The region with the lowest number of households where the refuse is removed weekly by the authority is Engcobo Local Municipality with a total of 832 or a share of 1.38%

of the total households where the refuse is removed weekly by the authority within the district municipality.

Refuse removal - Chris Hani District Municipality, 2010-2020

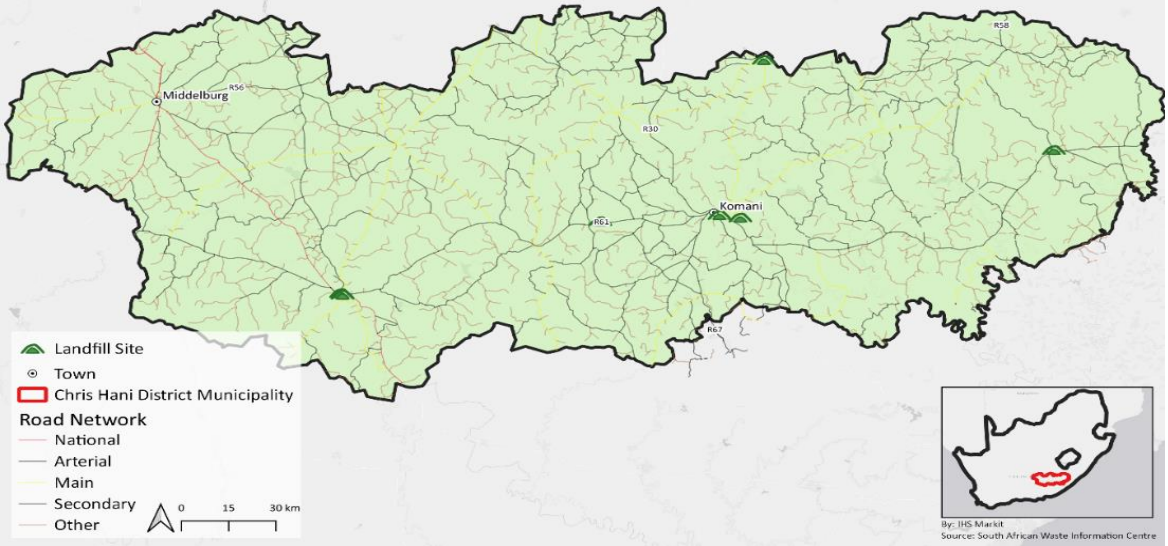


Source: IHS Markit Regional eXplorer version 2201

When looking at the number of households with no formal refuse removal, it can be seen that in 2010 the households with no formal refuse removal in Chris Hani District Municipality was 152 000, this increased annually at 0.62% per annum to 162 000 in 2020. The total number of households within Chris Hani District Municipality increased at an average annual rate of 0.53% from 2010 to 2020, which is higher than the annual increase of 1.60% in the number of households in South Africa.

According to the latest SAWIC database (South African Waste Information Centre), there are 7 active landfill sites in the Chris Hani District. The currently active Engcobo and Lukhanji sites have been operational the longest from 2003 and 2004 respectively while the Buy-back Centre in Komani has only started in 2021.

Map 6 Chris Hani District Active Landfill Sites



Source: IHS Markit GIS

3.6 Households by Other Infrastructure

There are several municipal cemeteries in the district that satisfy the existing service demand but there is urgent need to expand current capacity and ensure that all communities have access to adequate burial facilities. Cemeteries also need to be secured in order to ensure preservation of heritage and prevent vandalism of graves and tombstones. Almost all the rural settlements in the district have cemeteries of various sizes, shapes and capacities. These rural cemeteries are informally managed by the local communities. They are also located in places the communities find fit, meaning that no proper geo-technical investigations have been carried out to ascertain their suitability in terms of underground water contamination. The table below shows the number of cemeteries in the district municipality.

ChDM Cemeteries

Municipality	No of cemeteries	Remarks
Intsika Yethu	146	There is a total of 146 unlicensed/ unregistered cemeteries distributed within the wards of the municipal area which need some improvement and re-organization to ensure effective delivery. It should be acknowledged that most of these cemeteries have not undergone geo-technical investigation to avoid the likelihood to underground water contamination.
Enoch Mgijima	12	All the cemeteries under the municipal jurisdiction are almost full thus availability of space for new cemeteries and related services are fast becoming a problem. Upgrading of the graveyards will be done on an ongoing basis. All new township developments should

		make provision for cemeteries and be included in the EIA process to prevent duplication of processes.
Engcobo	1	It is currently being fence. A new site will be required in the future (2 to 3 yrs.)
Sakhisizwe	4	There is no ward that has no cemetery at all now; the only challenge is that existing facilities fall short of required expectations in terms of quality of service. Ward 4&5 cemeteries are properly maintained while 1 & 2 are not because communities do not pay for services. For example, some cemeteries are not properly fenced, and this cases stray animals to roam and destroy valuable assets. Others are in areas that have geological challenges resulting in prevalent dampness and potential risk to underground water by contamination.
Emalahleni	9	The Municipality has nine (9) cemeteries; there are two in operation in Indwe, one in Dordrecht and two in Lady Frere. Each Cemetery has an existing cemetery Register. Dordrecht currently offers sale of site and grave digging services. Indwe and Lady Frere are only offering sale of site. Cemetery layout plan has been developed for Dordrecht and is to be submitted to Council for adoption. Roads and storm water channelling constructed.
Inxuba Yethemba	2	Managed by the municipality and found in Cradock and Middleburg

There are a number of sport facilities within the district. The table below shows number of sport facilities which are in the district. Many sport clubs and codes have a proud tradition and have been going for many years within the district. However, there is a significant lack of sports and recreational facilities within the District, especially in the former homeland areas.

ChDM Sport Facilities

Municipality	No of sport facilities	Remarks
Enoch Mgijima	19	Majority of sport facilities require maintenance
Engcobo	2	Engcobo and Nkondlo sport fields are in good working condition.
Sakhisizwe	10	The main challenge is that existing facilities are poorly planned and do not respond appropriately to the needs of target user communities.
Emalahleni	5	Require maintenance

Inxuba Yethemba	4	Require upgrading and maintenance. They are as follows: Kwanonzame, Midros Lingelihle, Lusaka, Michausdal

There are 23 libraries in the district. There is a significant lack of libraries within the District, resulting in school children and other learners being unable to access information they require for their studies. It is noted, however, that some progress is being made in this regard. Intsika Yethu Municipality with DSRAC has also built the library in Cofimvaba Town for the purposes of assisting learners with information. Secondly Through the liberation Heritage programme another library has been built at Sabalele Village with the collaboration of Chris Hani District Municipality and DSRAC, the library is packed with books to assist the learners around the area of Sabalele.

ChDM Libraries

Municipality	No of library	Remarks
Enoch Mgijima	10	The libraries are faced with over population and limited resources. There is still a need to intensify the extension of the library services to the rural communities that are still experiencing limited access to information. The municipality endeavours to continuously upgrade and improve the standard of the libraries to match the increasing technological development that requires and challenges the libraries to be abreast with the latest and updated innovation in ICT (Information Communication Technology). It is envisaged that the municipal libraries will in future have adequate computers to offer effective self-help computer services to the community at large.
Intsika Yethu	2	The library facilities are located in Cofimvaba and Tsomo. The functioning of Libraries is supported by DSRAC at an amount of R250 000.
Engcobo	0	There is no library in the municipality.
Sakhisizwe	3	There are three main libraries located in Elliot and Cala and a modula library in Askeaton to service greater Sakhisizwe areas. The new Elliot library project is underway and we are in negotiation with DSRAC for its speedy delivery and operation.
Emalahleni	6	Insufficient budget for maintenance of libraries and they are Bengu Modular Library, Mhlanga Library, Tsembeyi Modular Library, Lady Frere Library, Indwe Public Library and Dordrecht Public Library
Inxuba Yethemba	2	The libraries are found in Cradock and Middleburg

4. Health

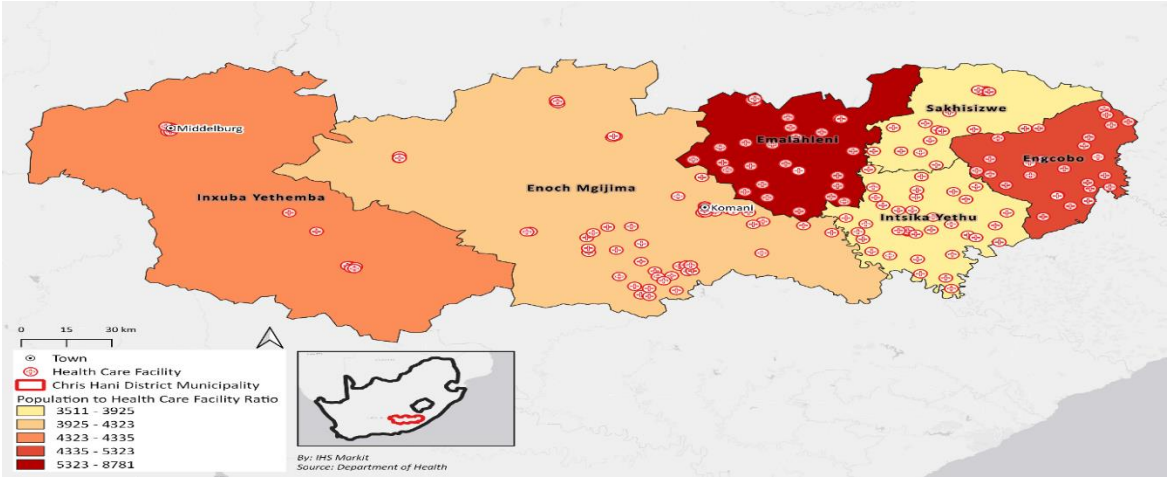
This section aims to present information on primary health care infrastructure available in Chris Hani DM. According to the latest District Health Barometer 2016/2017, the DM comprises of six health sub-districts namely Inxuba, Yethemba, Lukhanji, Intsika, Yethu, Emalahleni, Ngcobo and Sakhisizwe. The district has a population density of 22.4 persons per km2 and falls into socio-economic Quintile 1, among the poorest districts in the country and it is estimated to only have a medical scheme coverage of 5.7% of the population.

ChDM Health Facilities

	Ward Based Outreach teams	Clinic	CHC	District Hospital	Regional Hospital	Other Hospitals
Emalahleni SD	25	24	1	3	0	1
Intsika Yethu SD	33	32	1	1	0	1
Inxuba Yethemba SD	21	21	1	3	0	1
Lukhanji SD	37	35	2	3	1	4
Ngcobo SD	15	23	2	2	0	1
Sakhisizwe SD	16	14	0	2	0	1
Chris Hani DM	147	149	7	14	1	9

Source: DHIS, 2016/17

Map 7 Chris Hani District Health Facilities



Source: IHS Markit GIS

There are 206 health facilities within the Chris Hani District. The health facilities are spatial distributed across the district with Enoch Mgijima having 65 facilities, Intsika Yethu has 40, Emalahleni has 32, Engcobo with 31 health care facilities, 19 facilities in Sakhisizwe and

Inxuba Yethemba has the least number of facilities of 17. However, the ratio of health care facilities to population indicate that Emalahleni health care system may struggle to provide an adequate enough of a service for the population within the Emalahleni Local Municipality. Each facility within Emalahleni would need to cater for 8781 people compared to the lowest ratio of 3511 people per health care facility in Sakhisizwe.

4.1 HIV+ and AIDS estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows:

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

Number of HIV+ people - Chris Hani, Eastern Cape and National Total, 2010-2020 [Number and percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2010	88,800	717,000	6,310,000	12.4%	1.41%
2011	90,700	732,000	6,480,000	12.4%	1.40%
2012	92,400	746,000	6,630,000	12.4%	1.39%
2013	94,000	759,000	6,770,000	12.4%	1.39%
2014	95,700	772,000	6,910,000	12.4%	1.39%
2015	97,500	786,000	7,050,000	12.4%	1.38%

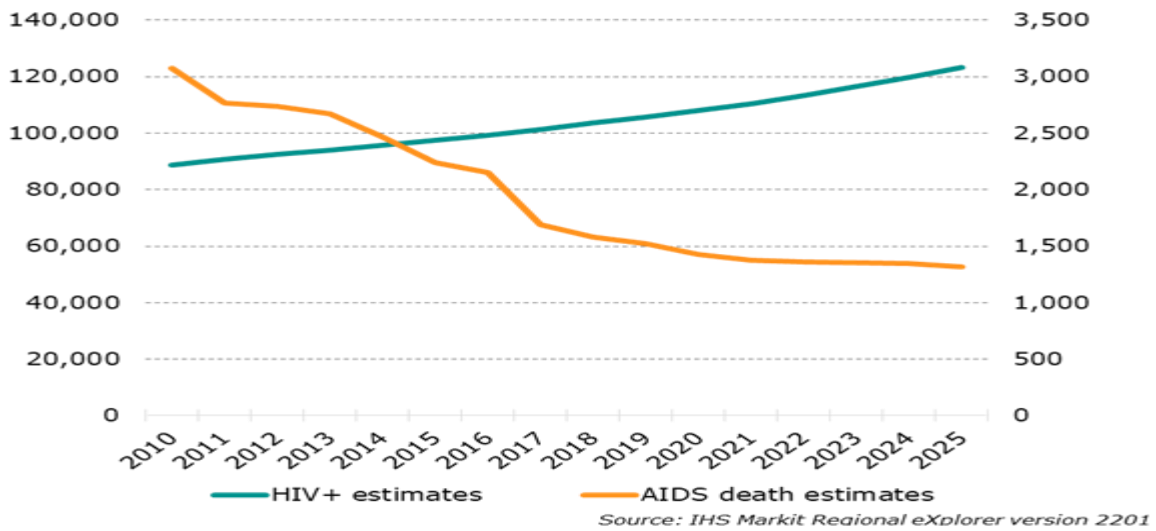
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2016	99,300	799,000	7,200,000	12.4%	1.38%
2017	101,000	815,000	7,360,000	12.4%	1.38%
2018	104,000	830,000	7,530,000	12.5%	1.37%
2019	106,000	847,000	7,710,000	12.5%	1.37%
2020	108,000	863,000	7,900,000	12.5%	1.37%
Average Annual growth					
2010-2020	1.99%	1.88%	2.28%		

Source: IHS Markit Regional eXplorer version 2201

In 2020, 108 000 people in the Chris Hani District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.99% since 2010, and in 2020 represented 12.39% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.88% from 2010 to 2020 in the number of people infected with HIV, which is lower than that of the Chris Hani District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2010 to 2020 with an average annual growth rate of 2.28%.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

AIDS profile and forecast - Chris Hani District Municipality, 2010-2025 [numbers]



Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 3070 in 2010 and 1420 for 2020. This number denotes an

decrease from 2010 to 2020 with a high average annual rate of -7.40% (or -1650 people). For the year 2020, they represented 0.16% of the total population of the entire district municipality.

4.2 COVID Statistics

On the 5th of March 2020 South Africa recorded its first case of COVID-19 subsequently resulting in the declaration of National State of Disaster on the 15th of March 2020. The effects of COVID-19 were seen in all sectors whereby the South African Health Care system was spread thin dealing with the pandemic with limited access to PPEs and the closure of provincial and international borders resulted in social-economic problems.

The cumulative cases number if often referred to when evaluating COVID-19 within a region, this value represents the total number of cases that have been reported up to a particular date. The South African Department of Health currently has a live dashboard that provides COVID-19 statistics at Provincial, District Municipality, Local Municipality and Ward level for South Africa. As of the 3rd of February 2022, South Africa has 3,612,792 cumulative cases and Eastern Cape has 340,324 has cumulative cases.

TOTAL CUMULATIVE covid 19 cases as of 3 February 2022

	Total Cumulative Cases (From 5th March 2020 to 3rd February 2022	Total Population as of 2020
Emalahleni SD	2,064	129,000
Intsika Yethu SD	2,335	157,000
Inxuba Yethemba SD	7,046	73,700
Enoch Mgijima SD	8,635	281,000
Engcobo SD	2,263	165,000
Sakhisizwe SD	1,172	66,700
Chris Hani DM	23,521	872,465

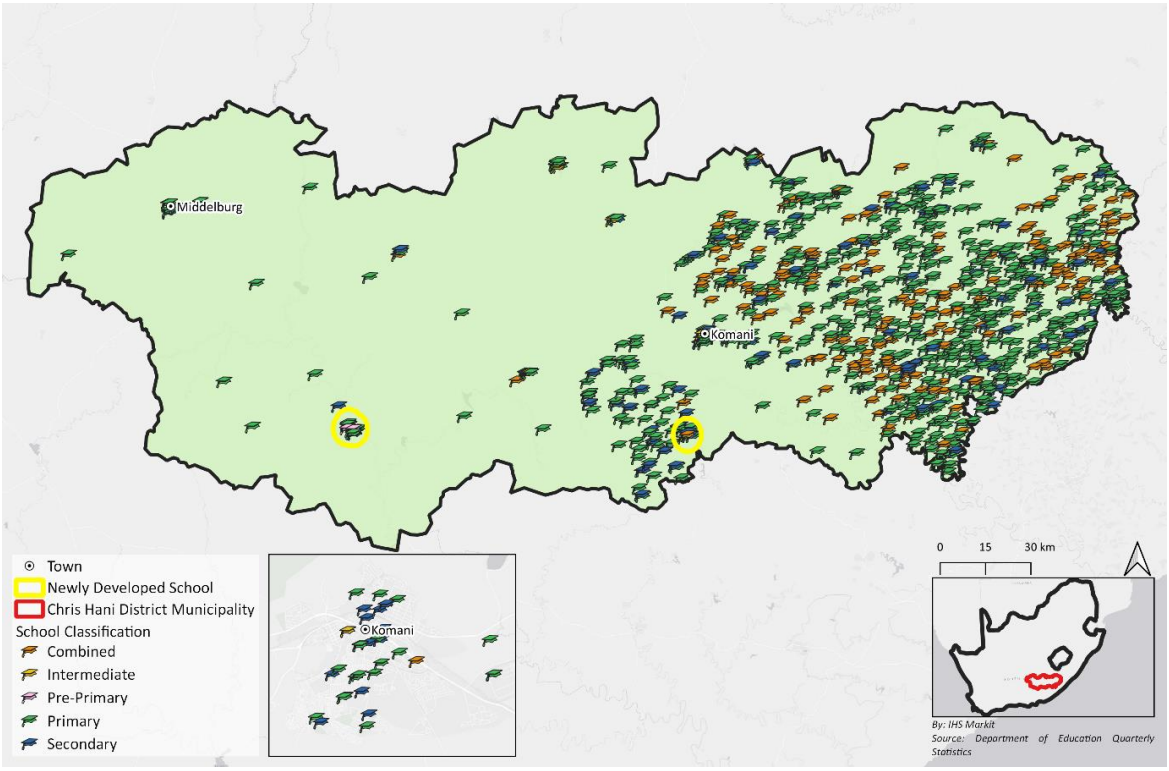
Source Department of Health and IHS Markit Regional eXplorer version 2201

As of the 3rd of February 2022, Enoch Mgijima has the largest share of COVID-19 cases within the Chris Hani District Municipality while Sakhisizwe had the least number of total cumulative cases reported. The Eastern Cape currently contributes just less than 10% of the total South African COVID-19 cases while Chris Hani represents 6% of the Eastern Capes total cumulative cases.

5. Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

Map 8 Chris Hani District Educational Facilities



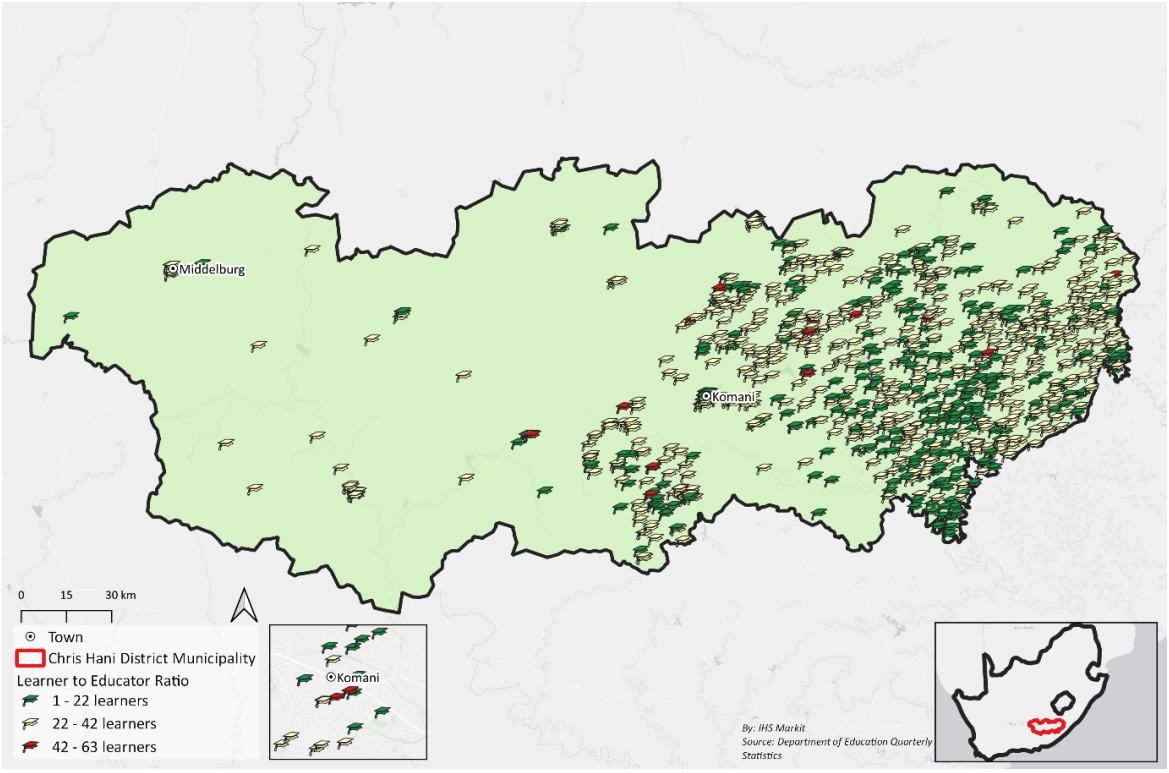
Source: IHS Markit GIS

Within the Chris Hani District there are 937 academic institutions varying from Pre-Schools to Tertiary Institutions. Since 2018 there have been a total of 4 new schools that have been opened consisting of 2 pre-primary schools and 2 prison schools that provide secondary education to the inmates. Inxuba Yethemba is responsible for 3 of the schools and Enoch Mgijima for the other.

Academic institutions in the district include a satellite campus of the Walter Sisulu University which is based in Komani and Whittlesea. There is TVET College (Ikhala TVET College) in Komani and Ezibeleni. The municipality is also endowed with several good primary and secondary schools as well as pre-primary schools.

Municipality	No of education facilities				Total
	Primary	Combined	Secondary	Tertiary	
Inxuba Yethemba	26	-	8	1	35
Enoch Mgijima	126	20	54	2	202
Emalahleni	90	45	23	0	158
Sakhisizwe	51	8	10	0	69
Engcobo	112	48	20	0	180
Intsika Yethu	158	56	27	0	241
Chris Hani DM	563	177	142	3	885

Map 9 Chris Hani District Educator to Learner Ratio



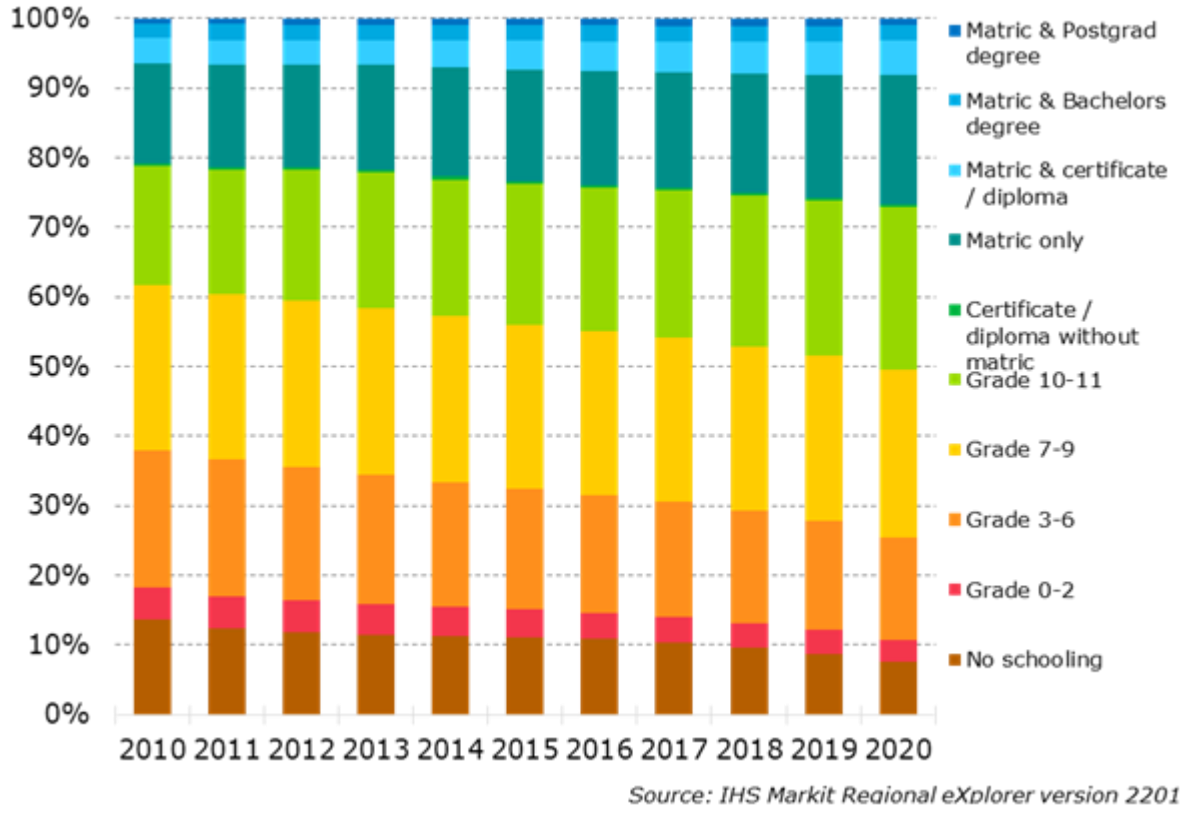
Source: IHS Markit GIS

The learner to educator ratio represents the number of learners that attend the school divided by the number of educators employed at the school. The district has an average of 25 learners per educator however, there are a number of schools that are well above this average. The highest learner to educator ratio is currently 1 educator to 63 learners experienced at the Zamuxolo Senior Primary School in Engcobo Local Municipality.

5.1 Highest Level of Education

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

Highest level of education: age 15+ - Chris Hani District Municipality, 2010-2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

Within Chris Hani District Municipality, the number of people without any schooling decreased from 2010 to 2020 with an average annual rate of -4.26%, while the number of people within the 'matric only' category, increased from 62,600 to 96,000. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 5.19%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 1.76%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

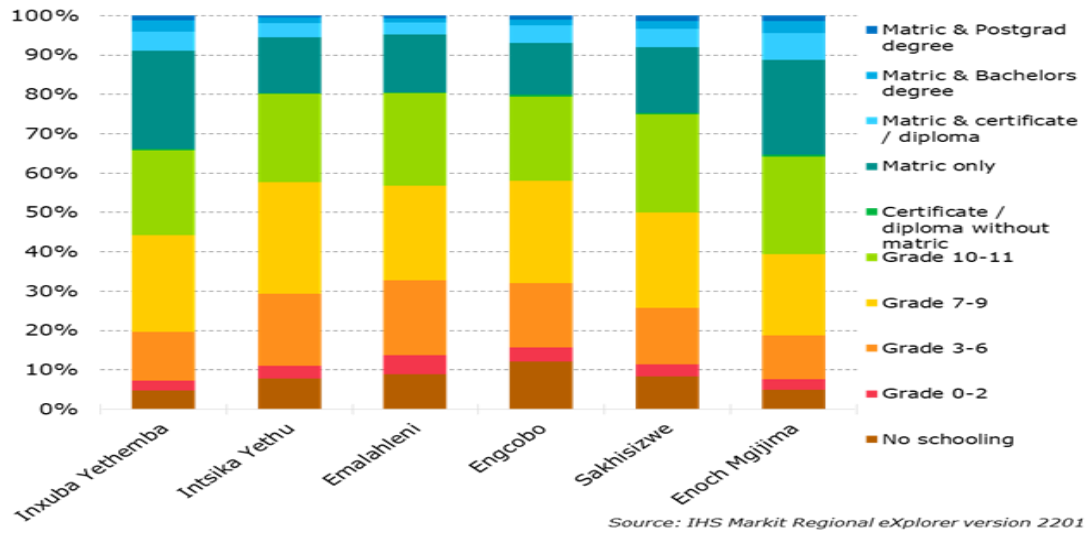
Highest level of education: age 15+ - Chris Hani, Eastern Cape and National Total, 2020 [Numbers]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
No schooling	38,600	228,000	1,700,000	16.9%	2.3%
Grade 0-2	16,500	106,000	520,000	15.5%	3.2%
Grade 3-6	76,100	505,000	2,810,000	15.1%	2.7%
Grade 7-9	124,000	981,000	5,910,000	12.6%	2.1%
Grade 10-11	120,000	1,120,000	9,440,000	10.7%	1.3%
Certificate / diploma without matric	2,000	15,700	185,000	12.7%	1.1%
Matric only	96,000	1,010,000	12,200,000	9.5%	0.8%
Matric certificate / diploma	25,600	241,000	2,580,000	10.6%	1.0%
Matric Bachelors degree	10,800	121,000	1,620,000	9.0%	0.7%
Matric Postgrad degree	5,350	58,300	932,000	9.2%	0.6%

Source: IHS Markit Regional eXplorer version 2201

The number of people without any schooling in Chris Hani District Municipality accounts for 16.94% of the number of people without schooling in the province and a total share of 2.27% of the national. In 2020, the number of people in Chris Hani District Municipality with a matric only was 96,000 which is a share of 9.50% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 8.96% of the province and 0.67% of the national.

Highest level of education: age 15+, local municipalities of Chris Hani District Municipality, 2020 [Percentage]



5.2 Functional literacy

For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

Functional literacy: age 20+, completed grade 7 or higher - Chris Hani District Municipality, 2010-2020 [Number percentage]

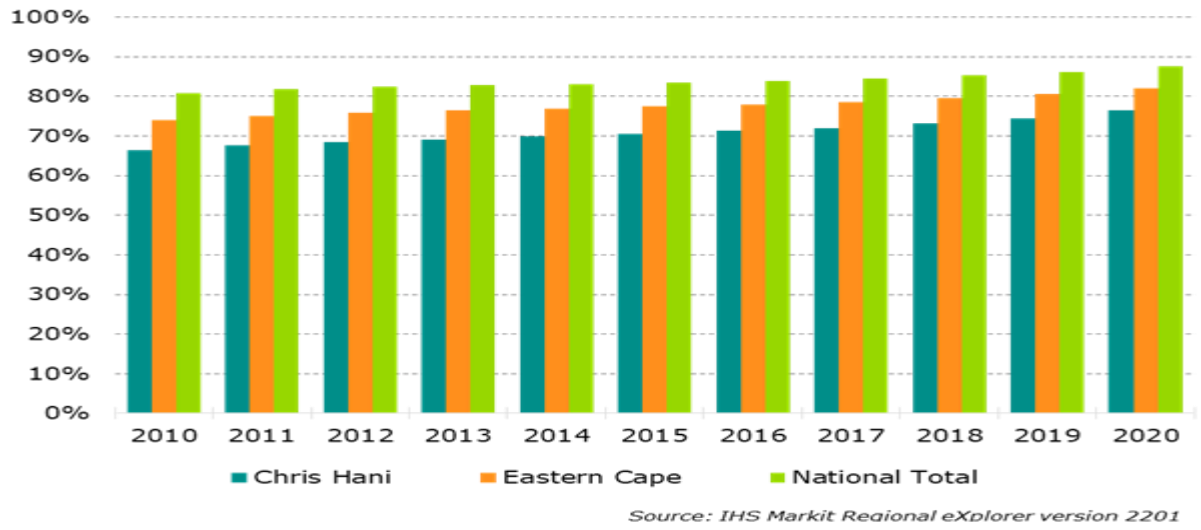
	Illiterate	Literate	%
2010	180,349	357,868	66.5%
2011	175,389	367,200	67.7%
2012	172,082	373,698	68.5%
2013	169,086	379,278	69.2%
2014	166,518	385,797	69.9%
2015	164,072	392,857	70.5%
2016	161,546	400,104	71.2%
2017	159,407	407,511	71.9%
2018	154,244	419,167	73.1%
2019	148,739	432,311	74.4%
2020	139,179	450,463	76.4%

	Illiterate	Literate	%
Average Annual growth			
2010-2020	-2.56%	2.33%	1.40%

Source: IHS Markit Regional eXplorer version 2201

A total of 450 000 individuals in Chris Hani District Municipality were considered functionally literate in 2020, while 139 000 people were considered to be illiterate. Expressed as a rate, this amounts to 76.40% of the population, which is an increase of 0.099 percentage points since 2010 (66.49%). The number of illiterate individuals decreased on average by -2.56% annually from 2010 to 2020, with the number of functional literate people increasing at 2.33% annually.

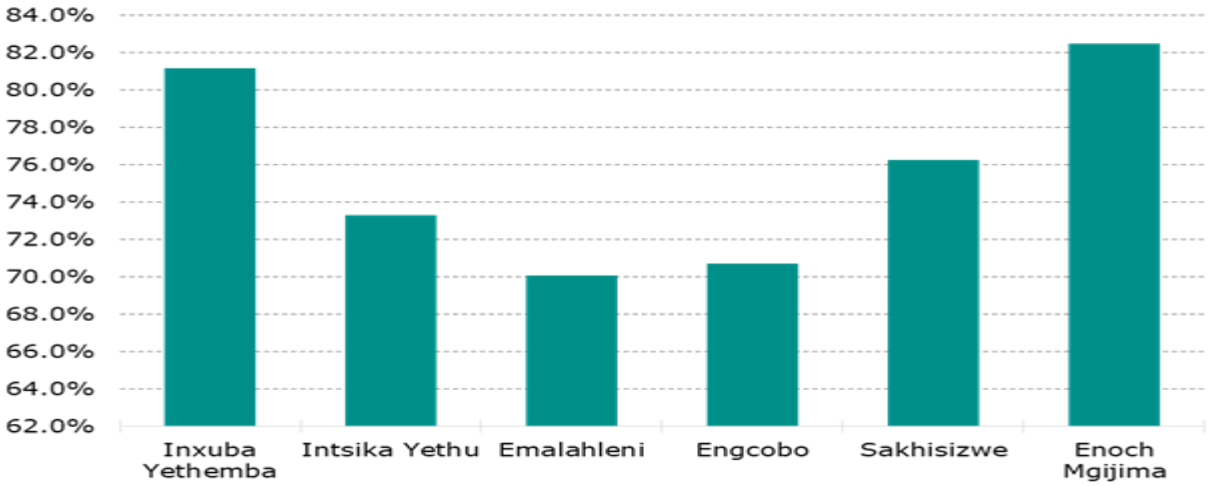
Functional literacy: age 20+, completed grade 7 or higher - Chris Hani, Eastern Cape and National Total, 2010-2020 [Percentage]



Chris Hani District Municipality's functional literacy rate of 76.40% in 2020 is lower than that of Eastern Cape at 82.11%. When comparing to National Total as whole, which has a functional literacy rate of 87.58%, it can be seen that the functional literacy rate is higher than that of the Chris Hani District Municipality.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

Literacy rate - local municipalities and the rest of Chris Hani District Municipality,2020 [percentage]



Source: IHS Markit Regional eXplorer version 2201

In terms of the literacy rate for each of the regions within the Chris Hani District Municipality, Enoch Mgijima Local Municipality had the highest literacy rate, with a total of 82.5%. The lowest literacy rate can be observed in the Emalahleni Local Municipality with a total of 70.1%.

6. Development

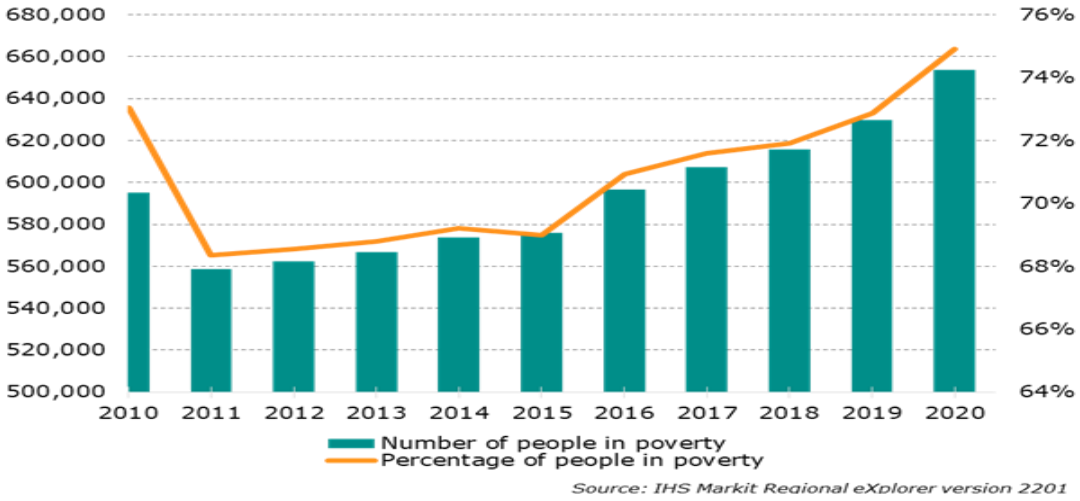
Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

6.1 Poverty

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

Number and percentage of people living in poverty - Chris Hani District Municipality, 2010-2020 [Number percentage]



In 2020, there were 654 000 people living in poverty, using the upper poverty line definition, across Chris Hani District Municipality - this is 9.84% higher than the 595 000 in 2010. The percentage of people living in poverty has increased from 73.05% in 2010 to 74.92% in 2020, which indicates a increase of -1.87 percentage points.

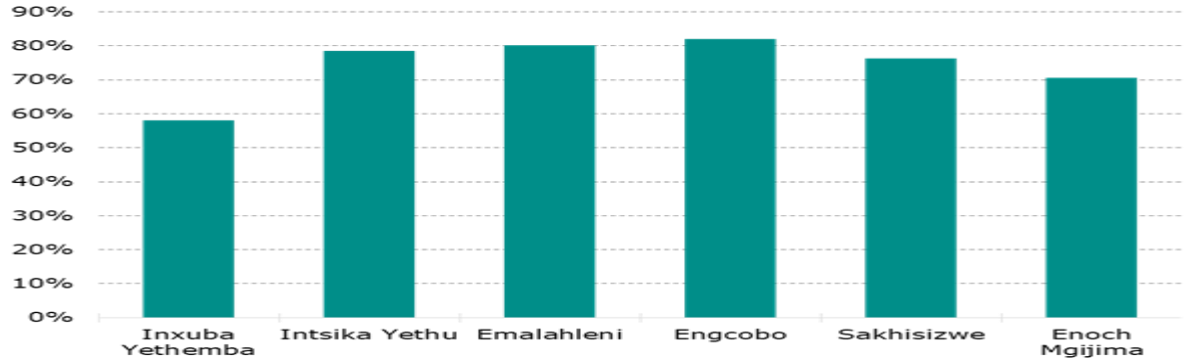
Percentage of people living in poverty by population group - Chris Hani, 2010-2020 [Percentage]

	African	White	Coloured	Asian
2010	75.7%	1.5%	51.6%	10.7%
2011	70.9%	0.9%	47.0%	8.0%
2012	71.1%	0.8%	47.7%	8.5%
2013	71.3%	0.9%	48.1%	8.8%
2014	71.7%	1.1%	48.9%	8.7%
2015	71.5%	1.2%	48.7%	8.4%
2016	73.5%	1.5%	50.2%	11.0%
2017	74.2%	1.7%	50.5%	12.9%
2018	74.5%	2.0%	49.9%	15.9%
2019	75.5%	2.5%	50.1%	19.7%
2020	77.5%	3.4%	52.3%	26.1%

Source: IHS Markit Regional eXplorer version 2201

In 2020, the population group with the highest percentage of people living in poverty was the African population group with a total of 77.5% people living in poverty, using the upper poverty line definition. The proportion of the White population group, living in poverty, decreased by -1.85 percentage points, as can be seen by the change from 1.51% in 2010 to 3.36% in 2020. In 2020 77.5% of the African population group lived in poverty, as compared to the 75.7% in 2010. The Asian and the Coloured population group saw a decrease in the percentage of people living in poverty, with a decrease of -15.3 and -0.678 percentage points respectively.

Percentage of people living in poverty - local municipalities and the rest of Chris Hani District Municipality,2020 [percentage]



Source: IHS Markit Regional eXplorer version 2201

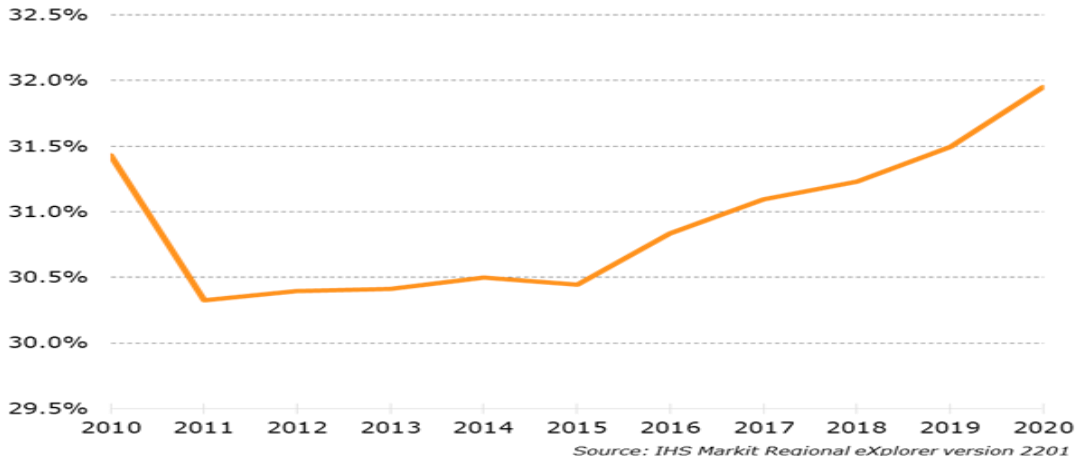
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 82.0%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba Local Municipality with a total of 58.1% living in poverty, using the upper poverty line definition.

6.1.1 Poverty Gap Rate

The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

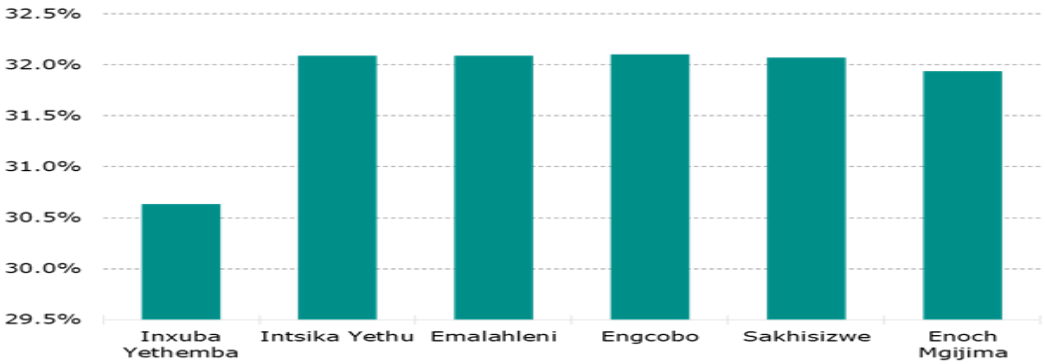
It is estimated that the poverty gap rate in Chris Hani District Municipality amounted to 31.9% in 2020 - the rate needed to bring all poor households up to the poverty line and out of poverty.

Poverty gap rate by population group - Chris Hani District Municipality, 2010-2020 [Percentage]



In 2020, the poverty gap rate was 31.9% and in 2010 the poverty gap rate was 31.4%,it can be seen that the poverty gap rate increased from 2010 to 2020, which means that there were no improvements in terms of the depth of the poverty within Chris Hani District Municipality.

Poverty gap rate - local municipalities and the rest of Chris Hani District Municipality, 2020 [Percentage]



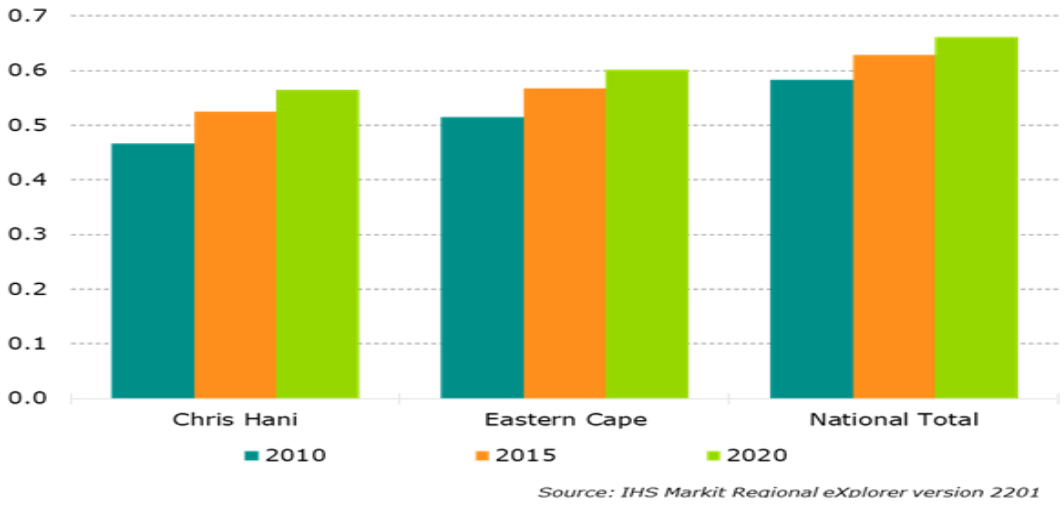
In terms of the poverty gap rate for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest poverty gap rate, with a rand value of 32.1%. The lowest poverty gap rate can be observed in the Inxuba Yethemba Local Municipality with a total of 30.6%.

6.2 Human Development Index (HDI)

The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

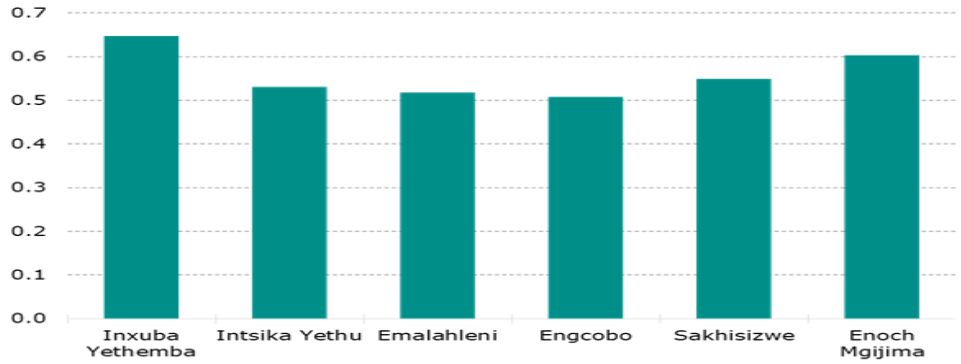
HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

Human Development Index (HDI) - Chris Hani, Eastern Cape and National Total, 2010, 2015, 2020 [Number]



In 2020 Chris Hani District Municipality had an HDI of 0.564 compared to the Eastern Cape with a HDI of 0.602 and 0.661 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2020 when compared to Chris Hani District Municipality which translates to worse human development for Chris Hani District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.26% and this increase is lower than that of Chris Hani District Municipality (1.93%).

Human development Index (HDI) - local municipalities and the rest of Chris Hani District Municipality, 2020 [Number]



Source: IHS Markit Regional eXplorer version 2201

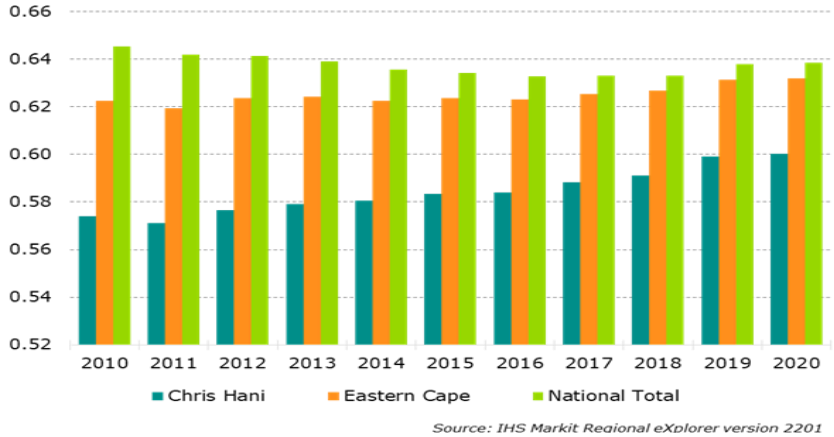
In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest HDI, with an index value of 0.648. The lowest can be observed in the Engcobo Local Municipality with an index value of 0.508.

6.3 Gini Coefficient

The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

Gini coefficient - Chris Hani, Eastern Cape and National Total, 2010-2020 [Number]



Source: IHS Markit Regional eXplorer version 2201

In 2020, the Gini coefficient in Chris Hani District Municipality was at 0.6, which reflects a increase in the number over the ten-year period from 2010 to 2020. The Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.632 and 0.638 respectively) when compared to Chris Hani District Municipality.

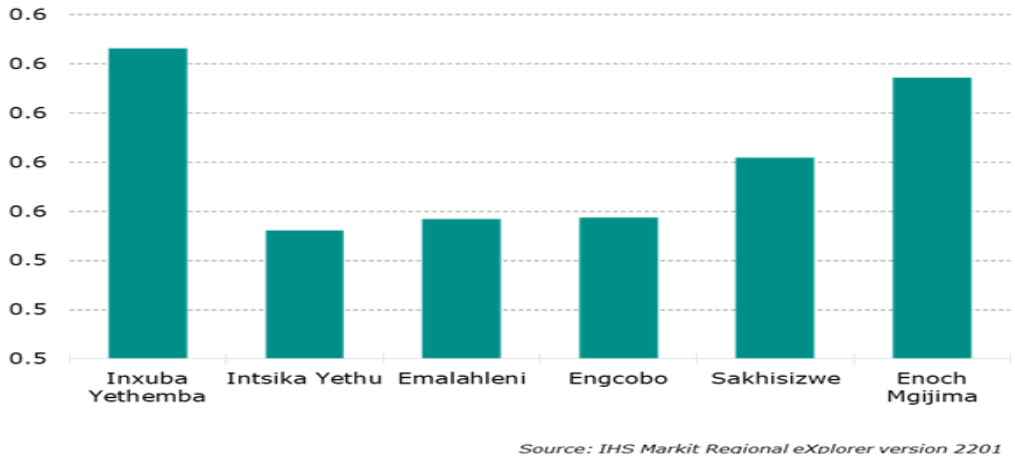
Gini coefficient by population group - Chris Hani, 2010, 2020 [Number]

	African	White	Coloured	Asian
2010	0.53	0.44	0.52	0.51
2020	0.57	0.43	0.56	0.51
Average Annual growth				
2010-2020	0.66%	-0.19%	0.77%	0.06%

Source: IHS Markit Regional eXplorer version 2201

When segmenting the Chris Hani District Municipality into population groups, it can be seen that the Gini coefficient for the Coloured population group increased the most amongst the population groups with an average annual growth rate of 0.77%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -0.19%.

Gini coefficient - local municipalities and the rest of Chris Hani District Municipality, 2020 [Number]



In terms of the Gini coefficient for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest Gini coefficient, with an index value of 0.626. The lowest Gini coefficient can be observed in the Intsika Yethu Local Municipality with an index value of 0.552.

7. Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Working age population in Chris Hani, Eastern Cape and National Total, 2010 and 2020 [Number]

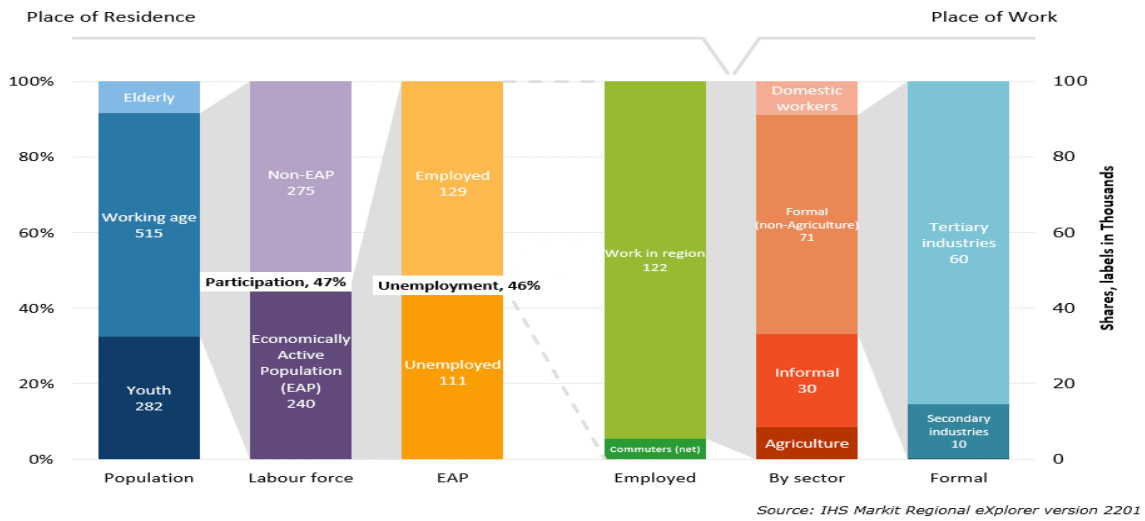
	Chris Hani		Eastern Cape		National Total	
	2010	2020	2010	2020	2010	2020
15-19	103,000	74,900	809,000	651,000	5,220,000	4,700,000
20-24	81,800	67,500	737,000	620,000	5,360,000	4,760,000
25-29	62,000	79,000	578,000	726,000	4,800,000	5,460,000
30-34	40,400	68,600	389,000	655,000	3,890,000	5,570,000
35-39	33,800	58,100	313,000	514,000	3,390,000	4,790,000
40-44	29,600	39,400	265,000	349,000	2,790,000	3,710,000
45-49	32,700	33,200	274,000	283,000	2,510,000	3,130,000
50-54	34,300	29,900	267,000	240,000	2,150,000	2,540,000
55-59	29,600	32,800	222,000	247,000	1,740,000	2,250,000
60-64	26,400	32,500	188,000	235,000	1,400,000	1,890,000
Total	473,000	516,000	4,040,000	4,520,000	33,300,000	38,800,000

Source: IHS Markit Regional eXplorer version 2201

The working age population in Chris Hani in 2020 was 516 000, increasing at an average annual rate of 0.86% since 2010. For the same period the working age population for Eastern Cape Province increased at 1.12% annually, while that of South Africa increased at 1.56% annually.

The graph below combines all the facets of the labour force in the Chris Hani District Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

Labour Glimpse - Chris Hani District Municipality, 2020



Reading the chart from the left-most bar, breaking down the total population of the Chris Hani District Municipality (872 000) into working age and non-working age, the number of people that are of working age is about 516 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 46.7% are participating in the labour force, meaning 241 000 residents of the district municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the district municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 275 000 people. Out of the economically active population, there are 111 000 that are unemployed, or when expressed as a percentage, an unemployment rate of 46.2%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Chris Hani, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 60 700 jobs. When including the informal, agricultural and domestic workers, we have a total number of 123 000 jobs in the area. Formal jobs make up 58.0% of all jobs in the Chris Hani District Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that work outside of the district municipality.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

8. **SERVICE DELIVERY OVERVIEW**

In terms of structural arrangements of CHDM three of the six directorates deal directly with service delivery, viz: Engineering, Health and Community Services and Integrated Planning and Economic Development (IPED). The other remaining three directorates are support departments which essentially ensures that the municipality is able to deliver on its mandate, viz: Corporate Services, Strategic Management Services and; Budget and Treasury Office (BTO).

8.1 Engineering Services Directorate

This Department of Engineering services is mandated to deal with eradication of water and sanitation backlogs through infrastructure development and also perform the operation and maintenance of water services infrastructure throughout the District.

Planning and implementation of water and sanitation projects is done by the Department. Implementation of employment opportunities are created through the EPWP program to benefit local communities.

Over the past financial year Engineering Directorate ensured that infrastructure backlogs are targeted in areas that have never had water services infrastructure. There are also operation and maintenance offices within all six municipalities. These operation and maintenance offices are basically deployed to attend to all repairs and maintenance related activities to ensure that communities are getting water and sanitation services.

The District has also been hit hard by drought which has left many schemes without water due decreased water levels (surfaced and ground water). Interventions were made through exploration of new sources to augment existing schemes and also providing basic infrastructure to areas that do not have reliable sources.

The proportion of households with access to basic services can be summarized as follows:

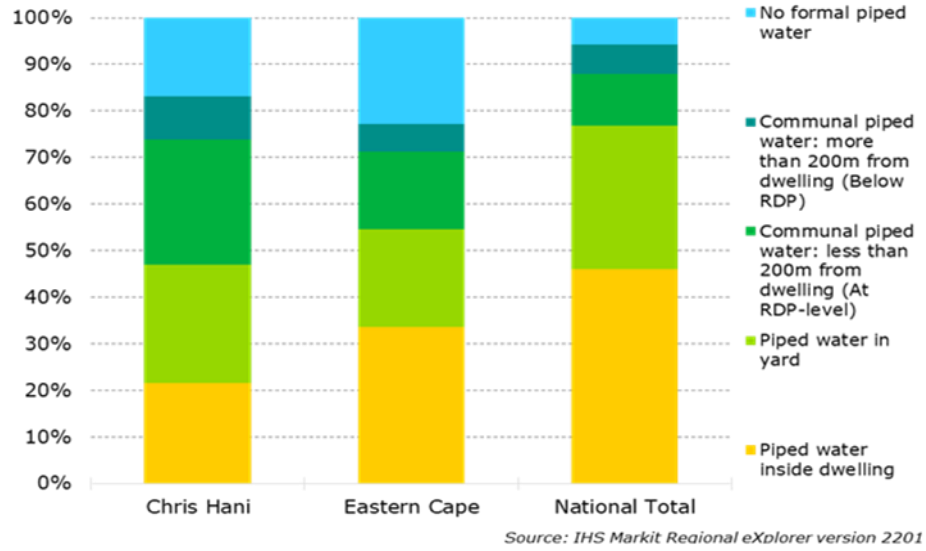
Proportion of Households with minimum level of Basic services

Proportion of Households with minimum level of Basic services					
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Electricity service connections	89%				
Water - available within 200 m from dwelling	68.8%	68.9%	69.2%	70.3%	
Sanitation - Households with at least VIP service	75.1%	75.7%	78.6%	79%	
Waste collection - kerbside collection once a week	44%				

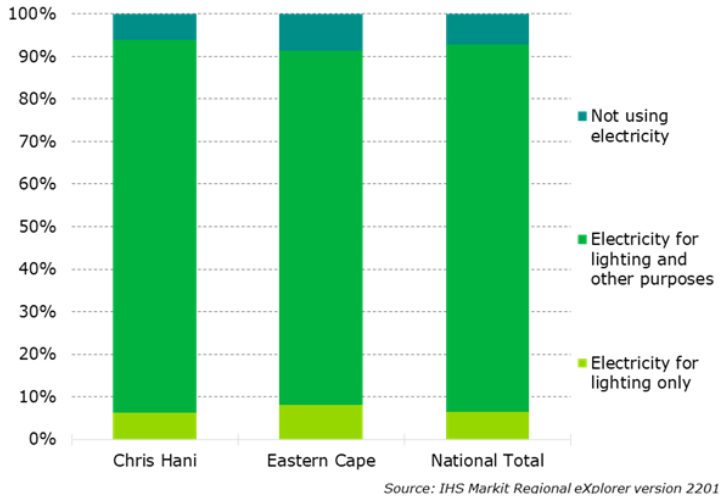
PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

The proportion of households with access to basic services in Chris Hani District Municipalities are indicated in the following tables for water, sanitation, electricity and refuse services.

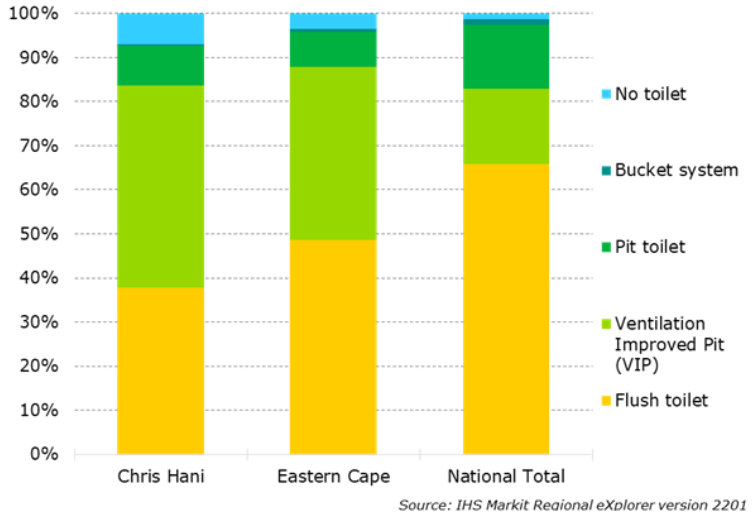
Water



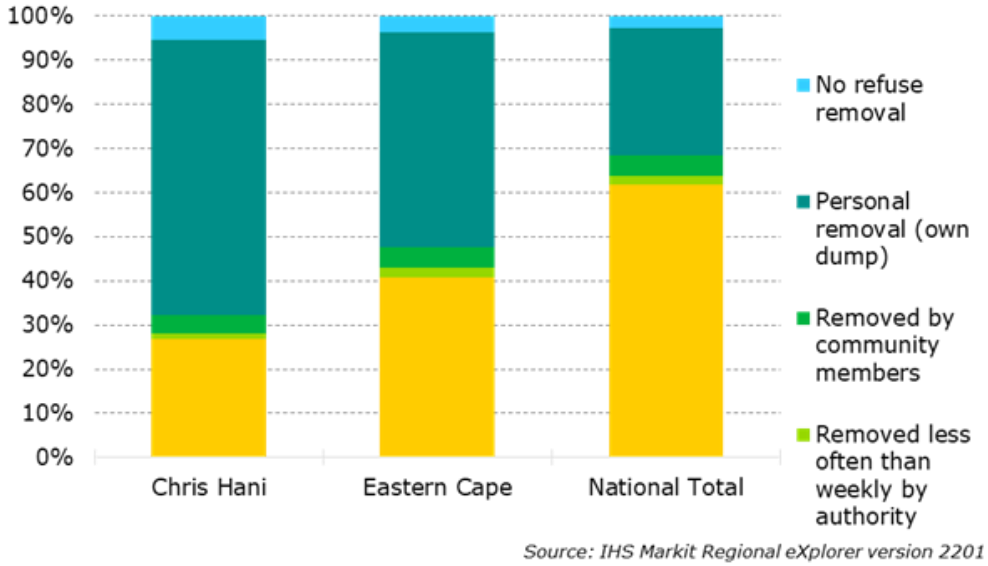
Electricity



(iii) Sanitation



(iv) Refuse Removal



1.5.2 **Health and Community Services**

Schedule 4 Part B of the SA Constitution and relevant legislative requirements clearly outlines some of the functions of the district related to the Municipal Health Services. These functions vary from Water Quality monitoring, Food Control Monitoring, Waste Management and General Hygiene Management, Health Surveillance of Premises, Environmental Pollution Control to Disposal of the Dead in respect to funeral parlour inspections, pauper burials and exhumations.

In executing our responsibility in this regard, we made all strides in ensuring that water provided to communities is safe for human consumption and adequate for domestic use as well as recreational, industrial, food production and any other human or animal use. Water monitoring was conducted to ensure that we are able to detect chemical/bacteriological contamination and advice on control measures for prevention of any diseases that may be water related.

In ensuring compliance with related legislation for the prevention and abatement of any condition on any food premises which are likely to constitute a health hazard, a number of food premises were evaluated in this regard. Food samples were taken and analysed throughout this period to ensure quality of all food for human consumption and optimal hygiene control throughout the food supply chain in line with Regulation 962 and Regulation 1555 under Foodstuffs, Cosmetics Disinfectants Act (Act 54 of 1972).

As part of CHDM Waste Management programmes, Local Municipalities were advised on proper waste management practices to ensure alignment with the Integrated Waste Management Plan (IWMP) as detailed in the Waste Management Act. Local municipalities

have also been supported through clearing and rehabilitating illegal dumping sites to ensure a conducive healthy environment. CHDM has successfully developed a Climate Change Response Strategy while the process of developing the Air Quality Management Plan is still underway.

1.5.3 **Integrated Planning and Economic Development (IPED)**

Integrated Planning and Economic Development Directorate (IPED) has a responsibility of planning for the district as a whole. This Planning function is multidimensional focusing on Spatial Planning, Development Planning as well Economic Planning and Development. In implementing these programmes the directorate seeks to ensure both the fulfilment of Council plans and further extricate the masses from the morass of poverty, unemployment and inequality.

To discharge this critically important function, the directorate is made up of various sub units, namely: Integrated Development Planning, Town Planning services, Housing development, Agricultural development, Forestry and related sector development, Tourism Development and Marketing, and Business development.

As part of CHDMs decisive intervention in the economy, the following initiatives were undertaken:

Poverty alleviation programmes focusing in Poultry and Piggery in some of the local municipalities,

Livestock Improvement Programme with a specific focus on Inoculation and dosing of animals, Construction of shearing sheds. A noticeable dent in the farming industry was made as a support to Irrigation schemes rooted out joblessness in many parts of the district.

An array of projects and programmes to boost and exploit the tourism potential of the Chris Hani District municipality were initiated, these include Tourism and Institutional Support for Tourism Development and Tourism SMME Support.

1.6 FINANCIAL HEALTH OVERVIEW

The financial sustainability of the Chris Hani District Municipality are described in the tables below:

Table 13: CHDM Financial Overview

Financial Overview: 2021/2022			**R' 000**
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	1 241 944 000	1 294 346 158	1 308 020 166,00
Taxes, Levies and tariffs	342 536 112	369 957 757	-
Other	179 106 994	344 106 994	479 867 735,00
Sub Total	1 763 587 106	2 008 410 909	1 787 887 901,00
Less: Expenditure	1 704 473 952	1 827 755 376	1 494 310 271,00
Net Total*	59 113 154	180 655 533	293 577 630,00
** Note: surplus/(defecit)*	59 113 154	180 655 533	*T 1.4.2*

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

Chapter 7 Section 51 of the Municipal Systems Act 32 of 2000, mandates the Municipality to establish and organise its administration in a manner that would enable the municipality to be responsive to the needs of the local community. Furthermore, Section 67(1) of the MSA compels the Municipality to develop and adopt appropriate systems and procedures to ensure a fair, efficient effective and transparent personnel administration.

The strategic objective of the directorate is to establish and maintain a skilled, healthy labour force guided by relevant policies, systems procedures that are geared towards realizing the needs of communities. Municipal transformation and organizational development is key to service delivery, hence much emphasis is on the implementation of Batho Pele principles in all municipal structures, systems, procedures, policies and strategies. During the year under review, the Chris Hani District Municipality completed the following to achieve the strategic objective: The municipal organogram for the 2021/2022 Financial Year has been tabled to Council where the operational structure was table and adopted by Council as informed by objectives of the municipality. For the financial year 2021/2022, the organizational structure has again as it is annual imperative to review the structure, it has since been reviewed and the Council has adopted the reviewed on 29 June 2022 in its Council meeting.

Municipalities are required to establish mechanisms for monitoring and reviewing of their Performance Management System furthermore to ensure monitoring, measuring and evaluating performance of staff in line with Chapter 6 and Chapter 7 of the Municipal Systems Act of 2000, respectively. The CHDM council adopted the Performance Management Framework for the period under review subsequent engagements with all affected stakeholders.

An institutional Workplace Skills Development Plan developed in terms of the Skills Development Act (1998), was completed and implemented during the financial year under review. employees have received training during the year under review. A total of four (04) training programmes were implemented.

The municipality has implemented its approved Workplace Skills Plan for 2021/ 2022 Financial Year.

1.8 REPORT OF THE AUDITOR GENERAL

Chris Hani District Municipality was subjected to an intensive audit process by the Auditor General in terms of the Public Audit Act 25 of 2004. This process as required by the legislation, in the main seeks to assess the state of finances of the municipality as well as matters relating to internal controls, governance and pre-determined objectives. Currently the opinion of the Auditor General is based on the audit of finances. For the previous financial year the municipality has is yet to be Audited by AG the table below demonstrates the outcomes over the years.

Table 14: Audit Record

Financial Year	Unqualified	Qualified	Adverse	Disclaimer
2021/2022		✓		

2020/2021				✓
2019/2020				✓
2018/2019				✓
2017/2018		✓		

1.8.1 **Basis For The qualified audit of Opinion**

The qualified audit opinion that the AG has issues for the municipality was based on the following:

Receivables from exchange transactions

VAT payable

Inventories

Revenue from exchange transactions

Contracted services

General expenses

Irregular expenditure

Water Distribution losses

Cashflow statement

1.9 STATUTORY ANNUAL REPORT PROCESS

In terms of the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003, Section 121, the Council of a Municipality must within nine months after the end of the financial year deal with Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with Section 129 of the MFMA. The table below demonstrates the process the municipality followed in the preparation of the Annual Report for Adoption by Council.

Table 15: Annual Report Process

No	Activity	Timeframe
1.	Consideration of next financial year's Budget and IDP process plan. In-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3.	Finalise the 4th quarter Report for previous financial year	
4.	Submit draft previous financial year Annual Report and evidence to Internal Audit and the Auditor-General including annual financial statements and non-financial information	August
5.	Municipal entities submit draft annual reports to MM	

6.	Performance Audit Committee considers draft Annual Report of municipality	
7.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September - October
9.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
10.	Municipalities receive and start to address the Auditor General's comments	November
11.	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
12.	Audited Annual Report is made public and representation is invited	February
13.	Oversight Committee assesses Annual Report	February – March
14.	Council adopts Oversight report	March
15.	Oversight report is made public within seven days of its adoption	April
16.	Oversight report is submitted to Legislatures, Treasuries and CoGTA	

CHAPTER 2 – GOVERNANCE

COMPONENT A:

2.1. GOVERNANCE STRUCTURES

The Chris Hani District Municipality was established in terms of provisions contained in chapter 1 of the Local Government Structures Act, 17 of 1998 (MSA). As per the aforesaid provisions, CHDM is a category C municipality (district municipality) and as such the district utilises the Mayoral Executive System. In this type of system the exercise of executive authority is through the Executive Mayor, in whom the executive leadership of the municipality is vested. The Executive Mayor is assisted by a Mayoral Committee which chairs section 80 committees referred to as Standing Committees namely;

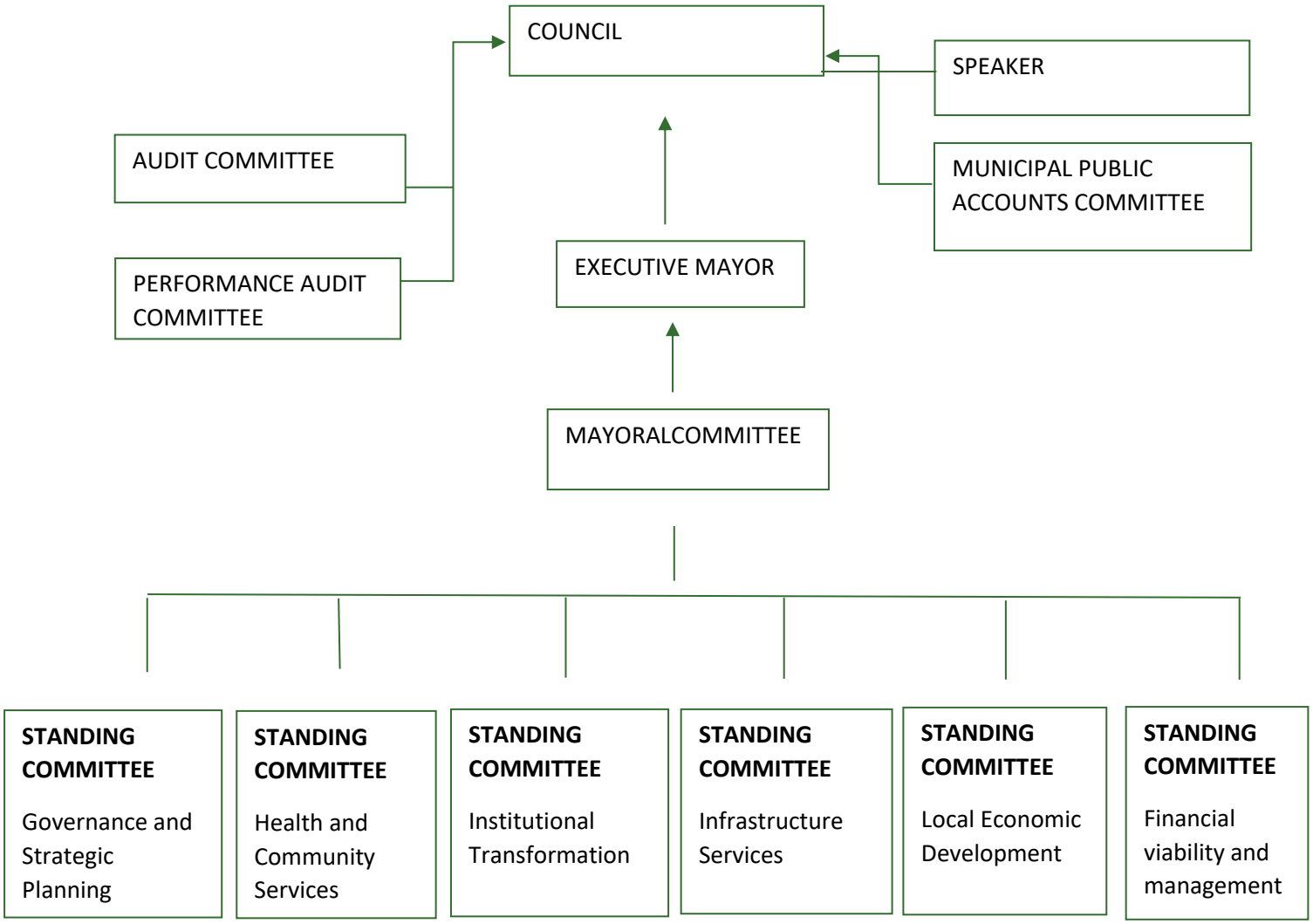
- Financial Viability and Management - Cllr
- Health and Community Services – Cllr S Lali
- Infrastructure – Cllr B Nobuntu
- Water Services Provision – Cllr NN September
- Municipal Transformation and Institutional Transformation - Cllr TW Bikwana
- Governance and Strategic Planning – Cllr TE Bobo
- Local Economic Development – Cllr S. Mbotshane

The Council of CHDM has various Section 79 committees, namely.

- Municipal Public Accounts Committee [MPAC]) – Cllr P Makhaphela
- Women's Caucus
- Rules and Ethics Committee and
- Whippery
- Disciplinary Committee

All the above committees are chaired by a Councillor elected from within Council. Independent oversight bodies namely; Audit Committee, Performance Audit Committee and Risk Management Committee which are established in terms of Section 166 of the Municipal Finance Management Act were also appointed by Council. Sittings of Council meetings are chaired by the Speaker of Council whose responsibility also includes convening and presiding over such meetings. The Political structure of the CHDM can be illustrated as per the diagram below.

Diagram 1 : Council Political Structure



2.1.1 Political Governance Structure

As would be reflective in the local sphere of government, the newly elected Council of the Chris Hani District Municipality is the legislative component of the municipal governance. It is in this structure that local laws are promulgated, decisions around the direction of development for the district are taken, and is the body charged with overseeing the operations of the municipality such that they adhere to the democratic principles as enshrined in the South African Constitution. Membership to Council is through the electoral process of the country where there are Councillors directly elected and become full time Councillors of the Council, as well as Councillors that are elected to represent their local municipalities in the district Council. Currently, the Council of CHDM is made up of 42 Councillors, 17 of which are on Proportional Representation (PR) and 25 direct

representatives from local municipalities within the District. Eight of the PR Councillors are members of the Mayoral Committee.

During the period under review, the Council was elected in November 2021 and inaugurated on the 30th November 2021.

2.1.1.1 Composition of Council

The table below depicts the composition of Council in terms of party representation of the Proportional Representatives (PR) Councillors:

Table 16: Composition of Council

POLITICAL PARTY	NUMBER	GENDER DISTRIBUTION
ANC	12	5 MALES 7 FEMALES
DA	1	1 MALES
UDM	1	1 MALE
Independent Civic Organisation	1	1 MALE
EFF	2	1 FEMALE 1 MALE
TOTAL	17	9 MALES 8 FEMALES

Additionally, the table below represents the composition of Council, inclusive of the 25 Councillors representing local municipalities:

Table 17: Party Demographic Distribution

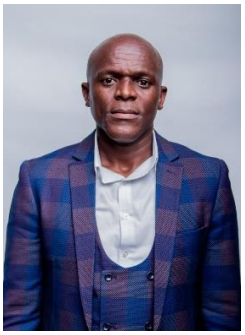
COUNCIL COMPOSITION	NO OF COUNCILLORS	GENDER DISTRIBUTION	
		MALE	FEMALE
Councillors			
Traditional leaders			

Further information on Councillors is provided in Appendix A

2.1.1.2 POLITICAL STRUCTURE OF COUNCIL IN PHOTOS

	Cllr Wongama Gela – Executive Mayor
	Cllr Noncedo September – Deputy Executive Mayor
	Cllr Nobantu Macingwane – Chief Whip Chairperson - Whippery
	Cllr Thumeka Bikwana – MMC Corporate Services

	Cllr Thembisile Bobo – MMC Special Programmes Unit
	Cllr Sinomtha Lali – MMC Health and Community Services
	Cllr Bongeka Nobuntu – MMC Engineering Services
	Cllr Sibongile Mbotshane – MMC IPED



Cllr Jongumzi Cengani – Council Speaker

Chairperson – Rules and Ethics Committee

Chairperson – Disciplinary Committee

Cllr P Makhaphela - Municipal Public Accounts Committee [MPAC])

Cllr Adele Hendriks – Chairperson Woman Caucus

2.1.1.3 POLITICAL DECISION-TAKING

In accordance with Section 60 of Municipal Structures Act No. 117 of 1998, the Executive Mayor appointed a Mayoral Committee. Specific responsibilities including presiding over specific Portfolio Committees being assisted by Councillors deployed to each portfolio committees has been delegated to each Portfolio Head. For the meeting to quorate 50 + 1 Councillors must be present for the meeting to proceed.

Portfolio Committees recommend to the Mayoral Committee presided over by the Executive Mayor and in his absence further delegates such responsibility to the Deputy Executive Mayor. The Executive Mayor has delegations to resolve on issues assisted by the Mayoral Committee members, however there are matters that the Executive Mayor cannot resolve and only the Council can ratify/ approve such e.g. passing of Policies, By – Laws and Budget.

Council meetings are convened quarterly, over and above this, Special Council meetings are convened when the need arises. The Mayoral Committee meetings are convened monthly.

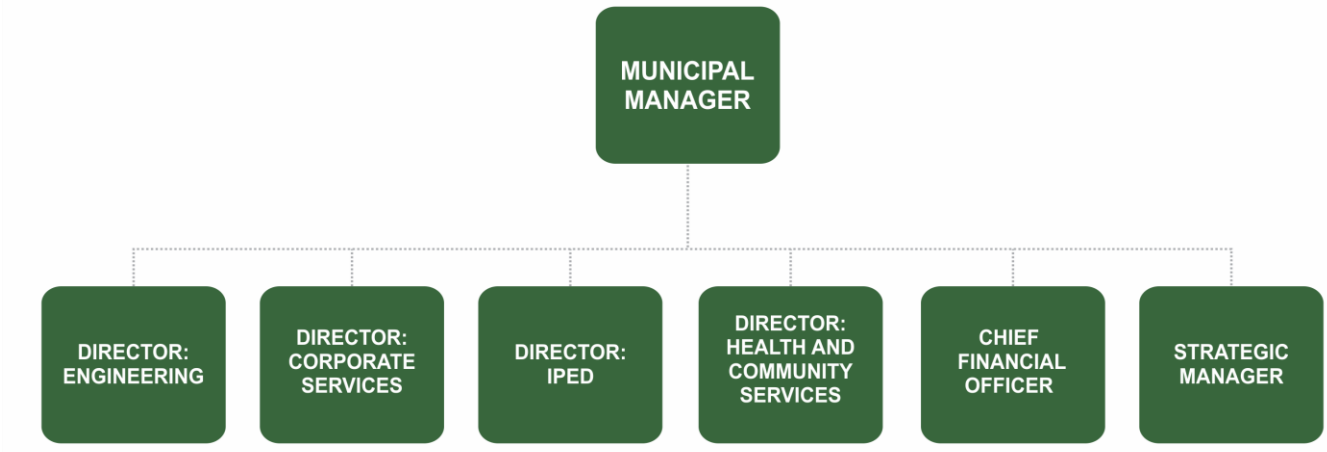
The institution has developed a resolution register for the Mayoral and Council meetings with a view to monitoring implementation of Council resolutions as well as easy access to information when requests for access to information is submitted by citizens.

The Accounting Officer reports on progress made on the implementation of resolutions taken by Council. The report also informs the Council of any reasons of non-implementation should there be any resolution not yet implemented and the action is accordingly provided to address the delays.

2.1.2 Administrative Governance Structure

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Systems Act 32 of 2000. The responsibilities of the Municipal Manager include managing the administrative and financial affairs of the municipality and to ensure that municipal services are delivered in an efficient, effective and economical manner. With his complement of directors appointed in terms of Section 56 of the MSA, the Municipal Manager determines the pace of development within the municipal area as per Council directives. Each director is responsible for their area of expertise. From time to time, an Executive Management meeting is held where the Municipal Manager engages the directors on various matters that affect service delivery. The diagram below illustrates the high-level administrative structure:

Diagram 2: Top Administrative Structure



COMPONENT B:
2.2 INTERGOVERNMENTAL RELATIONS

Chapter 3 of the Constitution (1996) describes the three spheres of government (National, Provincial and Local) as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state 'does not encroach on the geographical, functional or institutional integrity of government in another sphere'. In addition to the Constitution, various pieces of legislation governs or organises the system of intergovernmental relations. Among other things, the legislation formalises the different spheres' roles and responsibilities with regard to various functions and provides for a range of consultative structures .The South African system of intergovernmental relations is complex and continues to evolve as better modes of cooperation and coordination emerge and as functions are shifted between the spheres. The following key elements and principles underpin the intergovernmental system:

- **Accountability:** Each sphere has specific constitutionally defined powers and responsibilities, is accountable to its legislature or council, and is empowered to set its own priorities. The power of national government to intervene in provincial and local government matters, and provincial governments to intervene in local government matters, depends on whether the relevant sphere fails to carry out an executive obligation.
- **Transparency and good governance**: Accountability of political representatives to the electorate and transparent reporting arrangements within and between spheres is at the heart of the intergovernmental system. While political executives are responsible for policy and outcomes, the accounting officers are responsible for implementation and outputs.
- **Mutual support:** National and provincial governments have a duty to strengthen the capacity of municipalities. Spheres of government must also act cooperatively towards each other, for instance through avoiding legal action until all other mechanisms have been exhausted.
- **Redistribution:** The three spheres all have important roles to play in redistribution, but because inequalities exist across the country, the redistribution of resources is primarily a national function. Where provinces and municipalities undertake redistribution, the challenge is to do this in line with their fiscal capacity

and not to undermine economic activity and their financial viability. Redistribution among the three spheres is achieved through the vertical division of revenue. Redistribution among provinces and municipalities is effected through their respective equitable share formulae.

- **Vertical division:** Determining the allocation to each sphere of government inevitably involves trade-offs that are made in the course of a comprehensive budget process driven by political priorities, and which covers all aspects of governance and service delivery. Separate and ad hoc requests for funds fragment the coherence of the budget and undermine the political process of prioritization.
- **Revenue-sharing:** The fiscal system takes into account the fiscal capacity and functions assigned to each sphere. Provinces and municipalities are funded from own revenues, equitable share allocations, and conditional and unconditional grants. The grant system must be simple and comprehensive and not compensate provinces and municipalities that fail to collect own revenues.
- **Broadened access to services:** The Constitution and current government policy prioritises broadening access to services. The responsible spheres are expected to design appropriate levels of service to meet customer needs in an affordable manner, explore innovative and efficient modes of delivery, and leverage public and private resources to fund infrastructure.
- **Responsibility over budgets:** Each sphere of government has the right to determine its own budget and the responsibility to comply with it. To reduce moral hazard and ensure fairness, national government will not bail out provinces or municipalities that mismanage their funds, nor provide guarantees for loans.
- In addition, in 2019; the President called for the rolling out of an integrated district based approach to addressing service delivery challenges and localize procurement and job creation, that promotes and supports local businesses and that involves communities. He identified the pattern of operating in silos as a challenged that led to lack of coherent planning and implementation which has further made monitoring and oversight of government programmes very difficult. To address this challenge, **a district development model** was discussed and adopted by Cabinet, Presidential Coordinating Council, extended PCC and various MINMEC's.

  The model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focused One Plan for each of the district

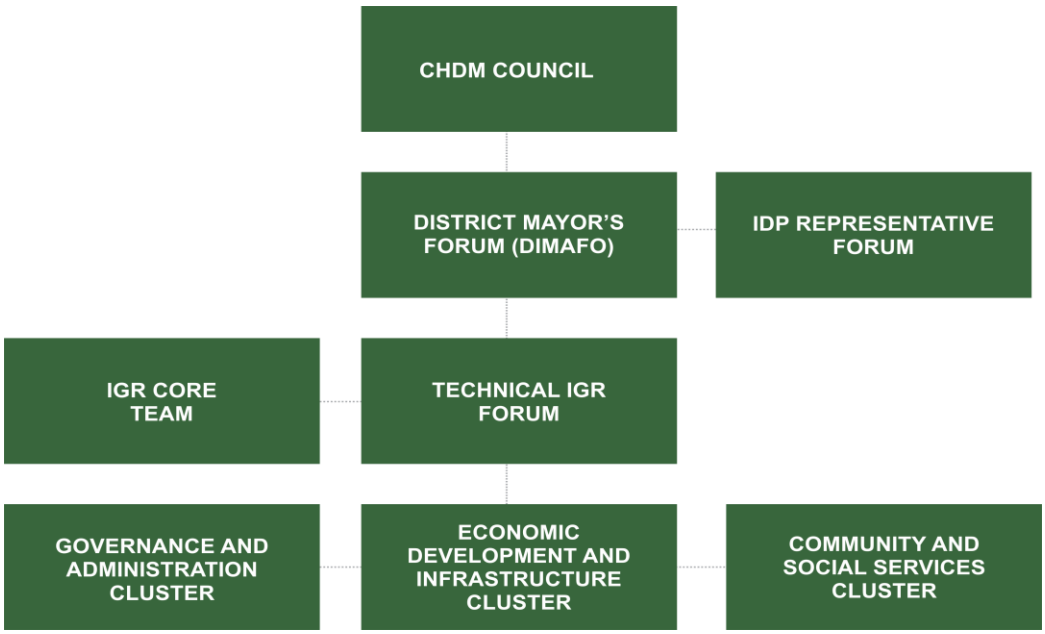
geographic spaces in the country, where in the district is seen as the landing strip. Therefore, the model is practical Intergovernmental relations (IGR) mechanism to enable all three spheres of government to work together, with communities and stakeholders, to plan, budget and implement in unison. The CHDM established the structure, developed One Plan, meetings with stakeholders are held on a quarterly basis to reflect on the implementation of the plan.

As such, understanding that the delivery of services cannot be the sole mandate of any one sphere of government, the continued cooperation between the spheres of government within the Chris Hani Region have contributed enormously to the question of development in areas such as education, social development, housing and water provisioning.

2.2.1 Key Intergovernmental Relations Structures

To effectively engage in intergovernmental matters, the Chris Hani District Municipality established IGR structures that would amongst other things ensure that there is continued engagement, sharing of information and effective decision making. These structures are informed partly by the current arrangements both National and Provincial, but also take into account the contextual realities within the CHDM. The diagram below illustrates the structures currently existing in CHDM and their levels in terms of decision making:

Diagram 3: Key Intergovernmental Relations Structures



During the financial year under review, the municipality has made significant strides in as far as operationalising its key IGR instruments. To this effect, the municipality has been actively involved in all National and Provincial IGR programmes. Key amongst these is the maximum attendance of the municipality in Provincial IGR structures such as the Premiers Coordinating Forum (PCF), the MuniMec as well as the Technical MuniMec.

All Executive Mayors and Mayors within the district area of jurisdiction are convened on a quarterly basis to engage on matters of mutual interest under the ambit of the District Mayors Forum (DIMAFO). A Technical IGR led by the Municipal Manager which precedes DIMAFO also provides technical support to the structure for informed decision making on matters of development.

2.2.2 Relationships with Municipal Entities

The Chris Hani District Municipality, as a parent municipality over the Chris Hani Development Agency (CHDA), established the entity in terms of the Municipal Systems Act (2000) and Municipal Financial Management Act (2003) in 2012. The Chris Hani Development Agency is governed by a Board of Directors appointed by the Chris Hani District Municipality, with the Advocate Mini as the newly appointed Board Chairperson.

The position of Chief Executive Officer was filled for the better part of the financial year under review, the Chief Executive Officer resigned in March 2022 and the position was vacant from April 2022. An acting incumbent has since been appointed until the position is filled.

The district annually enters into a service level agreement (SLA) with the Chris Hani Development Agency, for implementation of certain agricultural and infrastructural related projects and this was the case for the 2021/2022 financial year.

COMPONENT C:
2.3 PUBLIC ACCOUNTABILITY AND PARTICIPATION

Community participation, through appropriate structures, is a fundamental requirement of the Constitution (1996), the Municipal Systems Act (2006), the Municipal Finance Management Act (2003) and all other legislation that is applicable to Local Government

in South Africa. CHDM council has institutionalised community participation mechanisms in its affairs to allow communities an opportunity to participate in the decision-making processes of council.

Section 16 of the MSA requires municipalities to complement formal representative government with a system of participatory governance, and must for this purpose, inter alia, encourage, and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan, the establishment, implementation and review of its performance management , the monitoring and review of its performance, including the outcomes and impact of such performance and the preparation of its budget. Therefore, in line with this requirement, the centrepiece of the public participation ethos of the Chris Hani District Municipality is anchored on the processes related to the preparation and reporting on the implementation of the municipality's Integrated Development Plan (IDP) and Budget each year.

The Annual Report is also published each year for public comment before it is adopted by Council. It is therefore evident that public participation should be promoted in order to achieve, inter alia, the following objectives:

Consult with the community on their developmental challenges;

Form the basis for people-centred governance and bottom-up planning process;

Improve the relationship between council and the communities and thereby improve political accountability and transparency;

Empower communities through information dissemination/assimilation;

Establish a community feedback programme, which allows local leaders the opportunity to interact with communities on issues of service delivery;

Provide communities with a platform to influence the developmental trajectory of municipalities and government in general; and

Provides the municipality with a project/programme evaluation and implementation monitoring feedback mechanism.

During the period under review, the above objectives were fulfilled as the CHDM facilitated public involvement in line with the requirements of Chapter 4 of the Municipal

Systems Act. Whilst public participation is the process through which people and communities highlight their needs and aspirations, accountability is the end toward which the municipal Council strives. This is to ensure that the authority delegated by communities to the Council is utilised in a manner consistent with the provisions of law and the attainment of the needs of the communities. In the past financial year Council made an effort to account to its communities on the use of authority in relation to the management of financial affairs within the municipality, commitments made by the municipality regarding the service delivery needs of communities (ranging from basic services such as water and sanitation, roads, municipal health services as well as the development of the local economy) and the progress in achieving those, and finally, on matters of good governance

2.3.1 Public Meetings

2.3.1.1 Communication, Participation and Forums

The Chris Hani District Municipality undertakes IDP and Budget roadshows on an annual basis in all municipalities. In addition, it hosts several public knowledge sharing days on health issues, hygiene, water and sanitation usage, supply chain management, disaster and fire prevention strategies and fire, occupational health and safety, LED, GIS and Planning. In addition to these platforms, the office of the Speaker leads public participation programs for an engaged citizenry; these are, The Moral Regeneration Movement, whose aim is to influence the society towards the charter of positive moral values; the District Initiation Forum led by traditional leaders to respond to, prevent and intervene on the scourge of deaths of initiates in the circumcision program; the Women's Caucus which seeks to strengthen women representation, capacity and voice of women in political and administrative offices and the Civic education program which seeks to educate the electorate on various issues of governance and social programs.

To strengthen the relations with Traditional Leadership the House of Traditional Leadership of the region is a stakeholder that sits on the IDP Representatives Forum. In accordance with the Local Government Municipal Systems Act, the CHDM holds regular Integrated Development Plan (IDP) Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspapers calling for interested parties to contact the CHDM for registration to become part of the process both in the district and respective local municipalities.

Once the IDP and budget have been drafted and tabled at Council, the CHDM places another advertisement calling for public comments. Copies of the document are lodged at all the Libraries within the district and at Local Municipalities. After this process, the CHDM embarks on IDP and Budget roadshows to the communities at all local municipalities. This is done in conjunction with the support and assistance of the local municipalities who assist the CHDM's officials, through their Ward Councillors, to mobilize the ward community members to attend the roadshow events. The Draft IDP is summarized and presented to communities in English and isiXhosa for comment and discussion. Records of these meetings are kept and a document is drafted to keep track of the responses and to disseminate to other government departments for follow up and auctioning, where necessary, through intergovernmental forum meetings and the IDP Representative Forum.

Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by a Council Open Day, where members of the local community can attend a Council meeting where they are allowed to participate in proceedings. All comments received from the local community are collated into a document to be considered by council when adopting the IDP.

2.3.2 IDP Participation and Alignment

A process plan to develop, review and align the participation of stakeholders in the municipal affairs is developed and approved by Council in line with the requirements of the applicable legislation to incorporate activities relating to the IDP, Budget and performance management of the municipality. The alignment activities also include engagements with the municipal representatives, where the framework is presented for all the LM's to align their activities with. The IDP alignment activities are presented in the table below

2.3.2.1 IDP-Budget-PMS Process Plan

Table 18: IDP/Budget/PMS Process Plan

COMPONENT D
2.4 CORPORATE GOVERNANCE

2.4.1 Risk Management

The realisation of the institutional strategic plans depends on the ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable the institution to anticipate and respond to changes in the service delivery environment, as well as to take informed decisions under conditions of uncertainty.

The Chris Hani District Municipality subscribes to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery;
- A management system containing the appropriate elements aimed at minimizing risks and costs in the interest of all stakeholders;
- Education and training of all staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations; and
- Maintaining an environment which promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

An Enterprise Risk Management (ERM) approach to risk management is adopted by the Chris Hani District Municipality, which means that every key risk in each part of the municipality is included in a structured and systematic process of risk management. It is expected that the risk management processes become embedded into the municipality's systems and processes, ensuring that the responses to risks remain current and dynamic. All risk management efforts are focusing on supporting the municipal objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

The role of the Risk Management function is:

- To ensure an effective and efficient risk management system in the district municipality;
- To advise the council and municipal manager on the strategic risks and operational risks of the district municipality that may impact on the achievement of the strategic objectives;
- Advise the municipal manager and management on alignment of the strategic objectives with the strategic risks and operational risks;

- To coordinate the governance structures through the implementation of the combined assurance model;
- To develop and implement the risk management policy, strategy, and the risk management implementation plan; and
- To provide guidance to the local municipalities on risk management, anti-fraud and corruption;

2.4.1.1 Compliance

The risk management function has the following compliance objectives:

- To render effective and efficient internal controls in the district municipality.
- To provide compliance framework to the district municipality and also provide guidance to the local municipality.
- To enforce compliance on MFMA and other related prescripts.
- To ensure compliance with MFMA, SCM policies, and other National Treasury practice notes on finance and supply chain.

2.4.1.2 Top five (5) Institutional risks

The following top five risks were identified in the risk register for Chris Hani District Municipality:

Table 19: Top five (5) Institutional risks

CHRIS HANI DISTRICT MUNICIPALITY STRATEGIC RISKS REGISTER 2021/2022 FY						
KPA	**Strategic objective**	**Risk Description**	**Cause**	**Effect (Impact)**	**Existing controls**	**Actions to improve management of the risk**
Municipal Financial Viability and Management	To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to	Financial loss	1. Fraud and corruption 2. water losses 3. fruitless and wasteful expenditure	1. service delivery compromised 2. negative audit outcome 3. liquidity of the municipal	1. Awareness on water conservation and demand. 2. monitoring of water losses through bulk meters	1. Municipality must do business only with suppliers registered on CSD, also verify tax matters with SARS. 2. All SCM role players

	deliver its mandate			ity compromised 4. public protests 5. litigation	3. Irregular and wasteful expenditure register 4. MPAC reports 5. Proper market analysis benchmarked from Nation Treasury	must declare their interest and all bid documents must include declaration forms to be completed by service providers 3. Installation of remotely read meters.
Basic Service Delivery and Infrastructure Investment	To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.	Inability to deliver quality, sufficient water and provide proper sanitation to our communities.	1. Illegal connections 2. Limited water sources 3. Ageing infrastructure 4. Water losses 5. Infrastructure vandalism 6. Outdated bylaws 7. New developments 8. Budgets constraints for refurbishment 9. Institutional arrangement	1. Community unrest 2. Institutional reputation impaired 3. Outbreak of diseases 4. Loss of life 5. Revenue loss 6. Dignity compromised 7. Reverse backlog (level service below basic level)	1. IDP 2. Implementation of water service development plan 3. Water conservation and demand management strategy 4. Operations and maintenance plan 5. Water quality monitoring 6. Procurement plan	1.Gazzeting of by-laws 2.Review water conservation and demand management strategy 3. Implementation of operational and maintenance plan 4.Review and implement the water services master plan 5. Strengthen monitoring the implementation of the procurement plan 6.Water service development plan 7. Implementation of the procurement plan

		Ageing infrastructure	1. Non replacement of assets at the end of their life span 3.Nonrevenue collection 4. Over utilisation of infrastructure assets beyond useful life	1.Inability to provide services 3.Low staff morale, 4. Community protest 5. non-compliance to legislation	1. Operations & maintenance plan, Budget. 2. Asset register, Asset management unit, 3. Supply Chain Management policy. 4. GIS and water service unit in place	1. Implementation of the maintenance plan. 2. Implement disconnection program to enhance revenue collection
		Poor performance of contractors	1.Poor work quality of service providers 2.Misalignment between grading of contractors & performance 3.Poor financial capacity in contractors 4.Poor management capacity in contractors 5.Delayed payment of contractor's invoice	1.Delay in service delivery 2.Financial loss 3.Poor quality of service delivered 4.Community Protests 5.Negative audit outcomes 6.Litigations against CHDM	1.General Conditions of Contract 2010 & 2015 2.SCM policy 3.Continuous monitoring (site meetings) 4. Reference checks SCM performance evaluation reports on completed projects 5. Mentoring of learner/emerging contractors	1.Monthly site meetings to be made more effective. 2. Vetting of suppliers by SCM. 3. Enforcement of general conditions of construction (GCC). 4. Enforcement of the SCM regulations and PPPFA (Reference checks SCM performance evaluation reports on completed projects) 5. Preferred bidders to submit bank guarantees.

		Ineffective monitoring of projects	1.Shortage of resources (staff) 2.Limited value of essential user car scheme 3.Inapropriate vehicles to access site 4. Silo mentality	1.Delay in service delivery 2.Poor quality projects deliverables 3.Community Protests 4.Low staff morale 6. Harm to institutional reputation 7. Decrease in grant allocation	1.Existing project management unit 2.Monthly site progress meetings 3.Monitoring by professional service providers and CHDM staff 4.Project steering committees 5.Monthly unit progress meetings 6. Contract management unit in place 7. Quarterly community update meetings	1.Filling of the approved PMU & WSA/ WSP positions 2. Cascading of PMS to lower staff levels
Good Governance and public participation	To create an efficient effective accountable and Performance oriented administration.	Non-compliance with laws and regulations	1. Inadequate awareness campaigns 2. Lack of consequence management 3. Ineffective implementation of oversight committees and Auditor's recommendations 4. Poor monitoring	1. Negative audit outcome 2. Financial loss 3. Withholding of grants 4. Loss of confidence by stakeholders 5. Compromised	1. BTO Compliance register 2. Institutional policies 3. Institutional wide compliance registers in place 4. Facilitate develop standard operating procedures.	1. Engagement and consultation on the establishment of the internal control unit. 2. Quarterly monitoring of compliance in the institution.

			systems 5. Inadequate political and management oversight 6. Defiance and disregard of internal controls	service delivery		
Municipal Financial Viability and Management	To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate	Low revenue collection	1. Inaccurate consumer data 2. High number of indigent households 3. Inadequate implementation of credit control policy 4. Culture of non-payment of services 5. Lack of bylaws 6. Non-existence of the credit control unit	1. Continued Grant dependency 2. Service delivery compromised 3. Municipality may not be financially viable 4. Municipal credit grading/rating affected	1. Implementation of Revenue Management policies. 2. Route master system (Smart metering) 3. Revenue management SOP 4.indigent register in place 5. Establishment of the data cleansing task team	1. Implementation and monitoring of data cleansing project. 2. Conduct awareness campaigns to rate payers on revenue policies. 3. Prioritization/filling of posts for billing section. 4. Initiation and development of revenue management bylaws and consultation 5. Implementation and monitoring of revenue enhancement strategy 6.Benchmark(learn best

						practices with other municipalities) with other district municipalities in relation to revenue collection strategy.
Municipal Financial Viability and Management	To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate	Financial unsustainability	1. Low revenue collection 2. low inflation rate 3. Limited sources of funding 4. Poor planning 5. Under spending of grants 6. Political instability 7. Irregular, fruitless and wasteful expenditure	1. inability to pay creditors 2. Compromised service delivery 3. Community protests 4. Decrease in investor confidence 5. Reputation impaired 6. Business continuity negatively affected.	1. Draft Revenue enhancement strategy 2. Investment policy 3. Fraud prevention plan	1.Implemention of the revenue enhancement strategy 2. Implementation of funded budget (credible budget)

Good Governance and public participation	To create an Efficient, Effective, Accountable and Performance-oriented Administration	Theft, Fraud and Corruption	1. Inadequate internal controls 2. Poor implementation of consequence management 3. Overriding of internal controls 4. Failure to apply professional ethics 5. Poor personal financial management 6. Political interference	1. Compromised service delivery 2. Negative audit outcomes 2. Institutional reputation impaired 3. Financial loss 4.Demoralised staff 5. Community protests 6. Inability to attract investors	1. Implementation Fraud and corruption related policies 2. SCM Policies 3. Recruitment and selection policies, All related policies 4. Anti-fraud and corruption hotline 5. Declaration of interest 6. Wellness unit 7. Code of conduct for councillors and employees 8. Surveillance cameras 9. Fraud and risk awareness campaign	1. Facilitate the Adoption of whistle blowing policy, investigation policy, fraud prevention policy 2. Facilitation of the fraud risk assessment and development of fraud risk register 3. Awareness on fraud and corruption, hotline, financial management, and professional ethics. 4. Building relations with institutions mandated to combat fraud and corruption (e.g., SAPS, SIU etc)

Municipal Transformation and institutional development	To establish and maintain a skilled labour force guided by policies to function optimally towards the delivery of services to communities.	COVID 19 Infections	1. National Disaster 2. Exposure from attending mass gatherings. 3. Contact with contaminated public places (malls, drive thru speed points, banks etc) 4. Contact with infected individuals in the workplace, families and public. 5. Lack of screening of COVID 19 in some of workplaces. 6. Lack of compliance to COVID 19 health and safety measures.	1. Deaths 2. Illnesses 3. Financial loss 4. Hinders service delivery 5. causes mental disorders (anxiety, stress)	1. Daily COVID 19 screening 2. Provision of PPE (Face masks, gloves, sanitizers etc) 3. Awareness campaigns of COVID 19 4. Information dissemination (posters, emails etc) 5. Referrals to Department of Health for contact tracing and intervention. 6. Reporting cases of COVID 19 affected employees to Department of Labour	1. Increase education and awareness campaign on COVID 19.

Good Governance and public participation	To create an Efficient, Effective, Accountable and Performance-oriented Administration	Ineffective performance management system	1.Non implementation of recommendations made by oversight bodies 2. Nonadherence to policies and performance reporting timelines 3. Non cascading of PMS to lower levels 4. Failure to implement consequence management 5. No job descriptions for some positions 6. Poor planning	1. Un-ethical conduct 2. Weak control environment 3. Negative audit outcomes 4. Compromised service delivery 5. Labour unrest 6. Community unrest	1. Sittings of oversight committees 2. Elevation of reports to oversight committee to Council 3. Quarterly review of performance information. 4. PMS framework 5. Facilitate develop standard operating procedures	1. Review PMS framework 2. Pilot implementation of PMS cascading plan to management levels 3. Implementation of the oversight committee recommendations.
Local Economic Development	To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use	Inability to create conducive environment to create employment opportunities	1. Inability to attract investors 2. limited grant funding to fund sustainable employment 3. Low revenue collection 4. shortage of staff	1. high crime rate 2. low economic growth 3. increased poverty levels 4. dependency on social grants	1. EPWP including internships, LED strategy, 2. SMME's support 3. Partnerships with government and other entities.	1. Improve partnerships between organs of state and private sector. 2. motivate for the filling of vacant positions

	Management approaches as drivers for economies of scale and social cohesion			5. increased rate of substance abuse		
Municipal Transformation and institutional development	To create an Efficient, Effective, Accountable and Performance-oriented Administration	Delays in recruitment processes	1. Nonadherence to policy provision 2. inability to attract scarce skills	1. Low staff morale 2. Negative audit outcomes	1. Recruitment & Selection Policy 2. Job Evaluation Committees 3. Approved Organizational Structure	1. Development and implementation of recruitment plan
Basic Service Delivery and Infrastructure Investment	To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.	Poor performance of grant expenditure	1. Poor performance of contractors 2. None sitting of the bid committees 3. cancelation of bids	1.Community Protests 2.set targets are affected by development 3. Backlog reduction not addressed 4. reduction of grants allocation	1. Implementation of procurement plans 2. sitting of bid committees as per the calendar 3. Quarterly reports to council structures	1.Implementation of penalties to the none performing contractors as per the contract document. 2. Appoint contractors within validity period (90 days)

Local Economic Development	To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use Management approaches as drivers for economies of scale and social cohesion.	Inability to attract investment	1. Silo-planning by CHDM region, Agencies & Sector departments 2. Inadequate strategies to attract investments	1.skewed development 2. high unemployment levels, poverty and inequality	1.Chris Hani Regional Economic Development Strategy 2.IDP 3.SDF & Land Use Management System 4. Functional forums	1.Intensify IGR Structures 2. Implement Small Town Revitalization programmes 3. Implementation of the CHREDS
Good Governance and public participation	To create an Efficient, Effective, Accountable and Performance-oriented Administration	Public Apathy	1. Public perception on our standard of service delivery 2. Loss of trust and confidence in the institution 3. Commitments that are not kept 4. Poor communication to the communities 5. leaking of confidential information 6. Lack of confidentiality and loyalty to	1. Community Protests 2. Lack of community buy-in and ownership 3. Vandalism of and theft of municipal infrastructure 4. Litigation against the municipality 5. compromised	1. Stakeholder engagement through ISD, IDP and IGR forums 2. Chapter 4 of the systems Act 3. Public participation strategy 4. Customer care strategy 5. ISD policy 6. IGR strategy 7. Communication Strategy	1. conduct customer satisfaction survey and implement recommendations 2. implementation of an integrated stakeholder management plan. 3. conduct awareness on whistle-blowing policy

			the organisation	service delivery	8. Petition management policy 9.Intergrated stakeholder engagement plan 10.Centralize and institutionalize the Chris Hani customer care centre	
Municipal Financial Viability and Management	To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate	Funding constraints	1.Poor planning resulting in underspending of grants 2. Inadequate capacity	1. Delayed service delivery 2. Unfunded projects 3. Slow reduction on infrastructure backlogs 4. Community protests 5. Financial meltdown	1. Budget 2. Budget Policy	1.Continuous monitoring of the procurement plan. 2. Alignment of cash flows with project implementation plan

KPA 2 and 3	objective 2 and 3	Drought	1. Climate change 2.Lack of rainfall 3.Human factor	1. Loss of life (human, animals and plants) 2. Scarcity of water 3. Outbreaks of diseases 4. Disruption of water supply 5. Hunger and poverty 6. Loss of revenue 7. Loss of Biodiversity	1. Refurbishment of windmills and restoration of hand pumps 2. Finding new sources of water supply 3. Expansion of water conservation and water demand management program 4. Water carting 5. Engage in awarenes s campaign s 6. Ground water monitoring 7. Intensify environme ntal managem ent programs 8. Dam and climate monitoring 9. Climate Change Strategy 10. Custom feeding facilities 11. Fodder bank	1. Explore alternative sources (protection of springs and exploration of new sources) 2. maintenance of the existing feed lots

					12. Desilting of dams	
Good Governance and public participation	To create an Efficient, Effective, Accountable and Performance-oriented Administration	Inadequate IT Service Continuity controls	1. Lack of implementation of DRP and Backup policy 2. Lack of backups 3. Lack of offsite location for backups 4. Lack of backup restoration tests	1. Delayed service delivery 2. Loss of information and institutional memory 3. Financial loss 4. Damaged reputation 5. Negative audit outcomes 6. Staff turnover	1. ICT Disaster Recovery Plan 2. Disaster Management Plan 3. Disaster Management Communication and Information system 4. ICT strategy plan 5. Security policies 6. ICT governance framework 7. Institutional Insurance policy 8. Storage area network (SAN) in	1. Review and adequately document disaster recovery plan 2. Implement disaster recovery plan 3. Review and adequately develop backup and restoration policy and procedures 4. Implement backup policy and procedures

					place 9. Health and safety Inspections 10. Backup policy	
Basic Service Delivery and Infrastructure Investment	To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.	Climate Change	1. Global warming 2. Air pollution 3. Environmental degradation 4. Natural processes	1. Natural disasters 2. Loss of life 3. Adverse weather conditions and Drought 4. Destabilisation of settlement patterns 5. Food security shortages 6. Financial loss 7. Human health compromised	1. Climate change & environmental awarenes s campaigns 2. Quarterly Environment & Climate change forums 3. Climate change Adaptation & Response strategy 4. Implementation of projects in response to climate change 5. Air quality monitoring 6. General pollution controls 7. Alien Invasive & Bush	1.Development of the District Recycling Strategy 2. Strengthening & broadening scope of awareness campaigns

					Encroaching Plant Management Strategy 8. Air Quality Management Plan (AQMP) 9. Environmental Management Plan (EMP) 10. Disaster Scientific Risk Assessment Study (DSRAS) 11. Disaster management plan	

2.4.1.3 Anti-Corruption and Fraud

The risk management function has the following anti-fraud and corruption objectives:

To implement the fraud prevention plan which includes a fraud prevention policy in the district municipality.

- To develop and implement an investigation policy.
- To monitor a case management system that will ensure effective and efficient management of cases.
- To monitor a whistle blowing hot-line of the municipality.
- To develop a whistle blowing policy that will support the whistle blowing hot-line in the district municipality.
- To provide assurance to the council and the municipal manager on the management of fraud risks.
- Promote professional ethics in the district municipality.

The following activities took place in the year under review:

- Maintenance of the anti-fraud and corruption hotline.
- Marketing of the use of the anti-fraud and corruption hotline in order to create awareness
- Sitting of the anti-fraud and Risk Management Committee to ensure sound management of fraud risk within the municipality

2.4.2 Supply Chain Management

Section 217 of the Constitution state that when an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective.

In order to ensure that the municipality achieves this constitutional mandate, the following Strategic Objectives have to be attained:

- To ensure that the municipality has and implements a supply chain management policy this gives effect to the provisions of the Act;
- To ensure procurement of goods and services in a fair, equitable, transparent, competitive and cost effective and comply with the prescribed regulatory framework;

- That all reasonable steps are taken to ensure that proper mechanisms are in place and separation of duties in the supply chain management system is implemented to minimize likelihood of fraud, corruption, favoritism and unfair and irregular practices;
- To ensure that all contracts/agreement are in writing and are procured in line with the Supply Chain Management;
- To ensure that the supply chain management delegations are properly enforced and managed;
- That the municipal bid structures are in place and effective, to ensure competitive bidding process;
- Ensure submission of proper, accurate and applicable reports as per MFMA to ensure the disposal of municipal assets in accordance with the applicable legislation; and
- Ensure that municipal inventory levels are kept at an acceptable level as per the Municipal SCM policy.

The Chris Hani District Municipality has developed and implemented the following policies and practices relating to Supply Chain Management:

- Supply Chain Management Policy
- Irregular, Wasteful and Fruitless Expenditure Policy
- Infrastructure Provision Policy

2.4.3 BY-LAWS

Table 20: Update on Municipal By-Laws developed

By-laws Implemented during Year 2020/2021					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes/No)**	**Date of Publication**
Water and Sanitation By-law	The document was subjected to internal	YES	N/A	YES	2006

	workshops and public participation process				
Municipal Health Services By-law	No	YES	May 2017	YES	19 Nov 2018
*Note: See MSA section 13.	N/A	N/A	N/A	N/A	N/A

Municipal Health Services By-law has been promulgated.

2.4.4 WEBSITE

Table 21: Status of Municipal Website

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents (Council Resolution Final Budget)	Yes	
All current budget-related policies	No	
The previous annual report	YES	
The annual report published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	
All service delivery agreements 2021/2022	Yes	
All long-term borrowing contracts 2021/2022	N/A	
All supply chain management contracts above a prescribed value (30000) 2020/2021	YES	Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2021/2022		
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during	No	
SDBIP 2021/22	Yes	

The Chris Hani District Municipality has established a functional website which can be accessed at http://www.chrishanidm.gov.za. The website complies with section 75 of the Municipal Finance Management Act (2003) and 21 A of the Municipal Systems Act (2000). On the website, users can inter alia access the Districts previous Annual Reports, IDP's, SDBIP's, Performance Agreements, Supply Chain Management info etc.

2.4.5 Public Satisfaction on Municipal Services

The Chris Hani District Municipality (CHDM) having completed a Customer Satisfaction Survey to evaluate the satisfaction levels of its customers for the 2018/19 financial year, an improvement plan was developed and currently being implemented. One of the major aspects of the plan is improving customer experience. The municipality has put systems in place improve the turn-around time in resolving customer complaints. Furthermore, the 24 hour Call Centre has been identified as a coordinating point for all customer complaints in order to ensure the effectiveness in improving turn-around time in resolving complaints. Even though the municipality did not conduct the customer satisfaction survey in the 2021/2022 financial year, customer analysis reports were prepared and analysed. As the municipality we are committed to continuously improve and strengthen our systems.

Chapter 3 – SERVICE DELIVERY PERFORMANCE

1. Introduction

The district municipality, at the beginning of 2021/22 Financial Year, adopted a "pro-poor" budget which gives effect to the strategic priorities of the municipality. In terms of the Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA), Sec 53(1)(c)(ii) a municipality's Service Delivery and Budget Implementation Plan (SDBIP) must be approved by the Mayor within 28 days after the approval of the budget. The SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality. The performance herein mentioned in the paragraph above is based on the service delivery and budget implementation plan approved and later revised by Council as per the requirements of the MFMA.

The SDBIP therefore serves as a "contract" between the administration, Council and community expressing the goals and objectives set by the Council as quantifiable outcomes that can be implemented by the administration over a twelve-month period. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget. Once approved, the SDBIP forms the basis of the performance plan of the Municipal Manager and cascaded down to inform the performance plans of the Section 56 managers. This ultimately forms the basis for measuring the performance of the municipality as well as the individual performances of the municipal manager and his senior management team.

In line with the requirement mentioned above, the Executive Mayor of the Chris Hani District Municipality approved the SDBIP for the 2021/2022 financial year in June 2021 while the Performance Agreements of the Senior Managers were concluded in July 2021. During the development of the SDBIP, a balanced scorecard model was utilized. This means that all aspects of the operation of the municipality were included in the SDBIP (internal business processes, financial perspectives, and service delivery perspective) with a view of ensuring that all operational aspects are monitored and evaluated against the impact they have on the operation of the municipality and the delivery of services.

For purposes of consolidation, the SDBIP for 2021/22 was divided in terms of the five key performance areas applicable to local government viz.

- **KPA 1: Municipal Transformation and Institutional Development;**
- **KPA 2 : Basic Service Delivery and Infrastructure Development;**

- **KPA 3: : Local Economic Development;**
- **KPA 4: Municipal Financial Viability and Management; and**
- **KPA 5: Good Governance and Public Participation.**

KPA 1: the main focus is on the provision of support services internally. These would speak chiefly to matters of human resource provisioning and development, employee wellness, information communication technologies, fleet management services and legal services.

KPA 2: the main focus is of tangible service delivery matters such as water and sanitation, roads maintenance, housing and town planning services.

KPA 3: this focuses on those indicators seeking to ensure that conducive conditions are created for broader economic growth and ultimately to boost the district economy. Typically, these indicators would focus on amongst others, issues such as SMME development, tourism promotion and development, forestry programmes, heritage development, the Expanded Public Works Programme (EPWP), and agriculture.

KPA 4: focuses on the internal financial management processes. As such, this would focus on matters relating to budget development, supply chain management issues, asset management as well as income and expenditure management.

KPA 5: focuses on good governance matters such as public participation, stakeholder engagement, customer care and performance management, the effectiveness of oversight structures, internal audit matters, risk management and communications. Section 46 of the Local Government: Municipal Systems Act, 32 of 2000 (MSA) requires that municipalities must, at the end of the financial year, prepare an annual performance report. The report required in terms of this Section must reflect the performance of the municipality and each of the external service providers engaged by the municipality (refer to appendix I of the document) for the year. Furthermore, this section prescribes that the performances reflected above must be compared with performances for the previous financial year and include measures to improve performance where underperformance was recorded.

During the 2021/2022 Financial Year the overall CHDM performance results reflect a regressing rate on the side of institutional performance (with reasons clearly stated in

the SDBIP report) and in some KPA's; a progressing rate caused by improved performance results of departments in implementing the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan of the Municipality. The tables below provide a general overview and comparison of the performance of the institution in percentage terms for each KPA and finally for the institution as a whole.

Table 22: Comparison summary from 2017/2018 to 2021/2022 financial years

KPA	Overall Performance Percentage (2017/2018 FY)	Overall Performance Percentage (2018/2019 FY)	Overall Performance Percentage (2019/2020 FY)	Overall Performance Percentage (2020/2021 FY)	Overall Performance Percentage (2021/2022 FY)
Municipal Transformation and Organizational Development	73%	67%	48%	100%	88%
Basic service delivery and infrastructure Development	77%	53%	64%	28.6%	21%
Local Economic Development	71%	84%	70%	62.5%	63%
Financial Management and Viability	59%	17%	32%	90.9%	91%
Good Governance and Public Participation	69%	84%	79%	75%	100%
Overall Institutional Performance	**71%**	**64%**	**63%**	**61.5%**	**53%**

The performance of the institution varies over the years with a decline recorded in some KPA's due to various reasons that will be detailed in the report.

2. PERFORMANCE HIGHLIGHTS FOR 2021/2022

KPA 1: Municipal Transformation and Organizational Development

- Relations with labour remained stable: Continued Local Labour Forums (LLF) convened assisted in ensuring sound employer and employee relations within the district.
- Filling of vacant posts: A total number 37 vacant funded positions were filled to ensure sufficient human capital to assist the municipality with on-going operations and fast track service delivery.
- Medical Assessments and Vaccination programme for employees conducted
- Integrated Health, Wellness and Safety programmes for Employees and Councilors: These were conducted consistently.
- Cascading of performance to line managers

KPA 2: Basic Service Delivery and Infrastructure Development

- Monitoring and support of Funeral parlours: Routine inspections were conducted for funeral parlours and sanitation structures across the district to ensure compliance with standards. Provision of certificates of acceptability where applicable.
- Monitoring of compliance of both drinking water and wastewater quality: Water samples were taken to assess the quality of both drinking water as well as waste water to primarily improve the blue and green drop status.
- Completion of the following water project; Hewu RA 60 phase h/h136, Middleburg water treatment works, Mtshabe water supply (ward 10, Intsika Yethu, 62 h/h), Gasini A Water supply (ward 10 Intsika Yethu 49 h/h);)
- In respect to fire services and disaster management, the CHDM was able to respond to all incidents reported within the stipulated timeframes.

KPA 3: Local Economic Development (LED)

- Support has been provided for tree nurseries and afforestation projects at Intsika Yethu.
- Irrigation schemes were supported as per SLA with CHDA

KPA 4: Municipal Financial Viability and Management

- Compilation and approval of a funded Credible Budget to ensure effective cash flow management that will support the implementation of the SDBIP and improve its performance.

KPA 5: Good Governance and Public Participation

- Implementation of Risk Management Framework: The districts' risk management instruments remain strong in ensuring adherence to a clean administration and accountable governance.
- Various initiatives were undertaken during the year under review to improve risks associated with fraud and corruption.
- CHDM continues to excel in implementing mechanisms to strengthen the public participation function using virtual platforms owing to the restrictions and/or regulations on public gatherings caused by the COVID19 pandemic.
- The implementation of the Integrated Marketing and Communication strategy of the district immensely paved the way for effective engagement with all relevant stakeholders across the district.
- Approval of the reviewed performance management system framework to consider requirements of the recently promulgated municipal staff regulations by CoGTA

COMPONENT A: BASIC SERVICE DELIVERY

This component includes water, wastewater (sanitation), housing services; and a summary of free basic services.

3.2 WATER PROVISION

3.2.1 Introduction To Water Provision

Chris Hani District Municipality is a Water Services Authority (WSA) and Water Services Provider (WSP) in all local Municipalities within the district area of jurisdiction in terms of the powers and functions as outlined in the Municipal Structures Act, 117 of 1998.

With regards to water schemes and the provision of water infrastructure, the growth in terms of human settlements and limited water sources in the district make the provision of sufficient access to water and sanitation challenging. The vast distances and small catchment areas are major obstacles to the achievement of economies of scale. Drought has also proven to be a major contributor of water provision in the district.

In terms of the current state of water treatment plants in the CHDM, the following can be revealed:

- CHDM currently has 28 water treatment plants across the district with at least a few within each local municipality including supply systems (boreholes) which are also chlorinated.

- The western half of the district is characterised with vast distances between towns and only a few settlements which are mostly provided with services on or above RDP level.
- The majority of the eastern sections show that they are mostly on or below RDP level.
- A number of settlements within Intsika Yethu and Engcobo remain unserved.

Table 25: Water Services employees

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.1.7*

Table 26: Access to Water

Access To Water

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year -19/20	72534	78454	4004
Year -20/21	74845	78454	4004
Year -21/22	75154	78454	15536

T 3.1.5

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

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

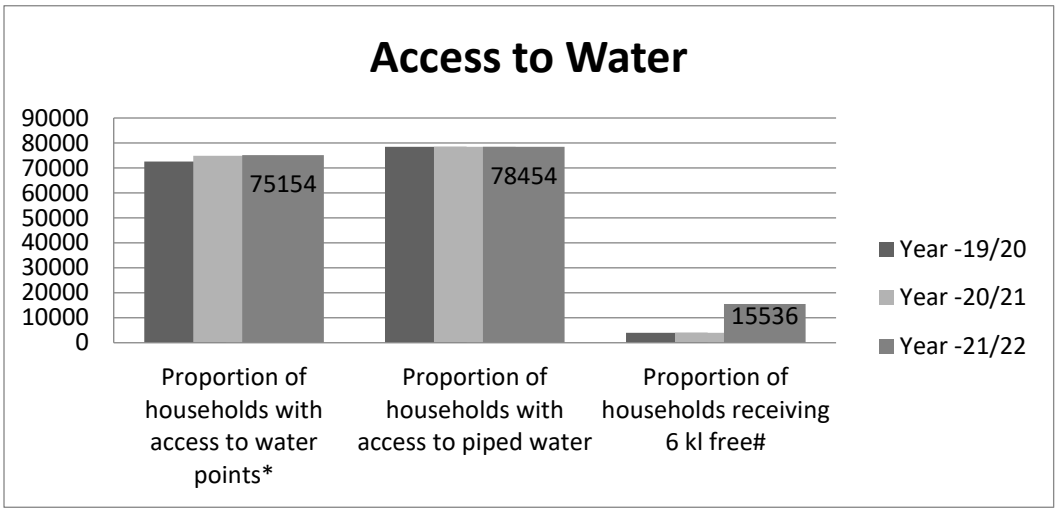
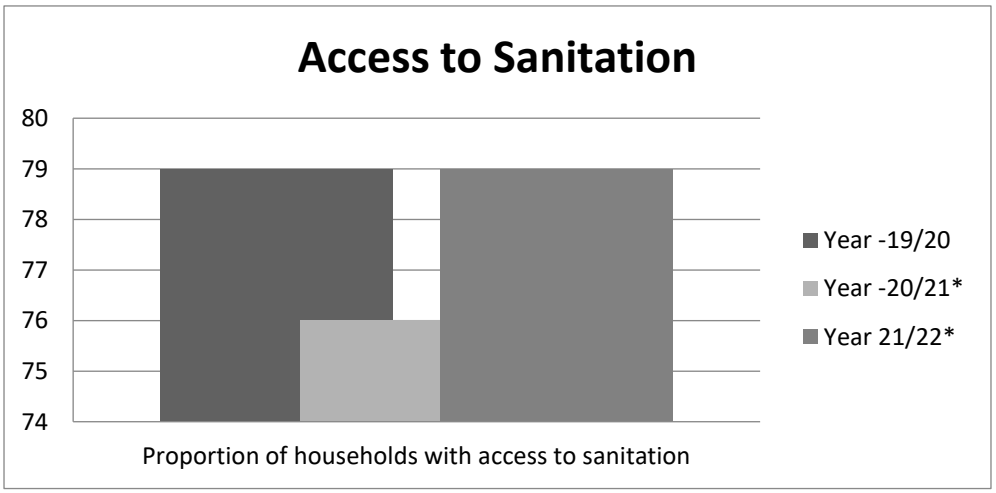


Table 27: Water Services Financial Performance

Financial Performance 2020/2022: Water Services R'000					
Details	**2020/2021**	**2021/2022**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	241 312 886			304 389 696	100%
Expenditure:					
Employees	165 989 712			202 609 751	100%
Repairs and Maintenance	28 457 433			29 644 726	100%
Other	95 486 160			611 965 640	100%
Total Operational Expenditure	289 933 305			844 220 117	100%
Net Operational Expenditure	48 620 419			539 830 421	100%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.1.8*					

3.3 SANITATION PROVISION



Access to Sanitation	
	Proportion of households with access to sanitation
Year -19/20	79
Year -20/21*	76
Year 21/22*	79

*Households increase from 218215 to 229987

Table 28: Sanitation Service Delivery Levels

Sanitation Service Delivery Levels *Households				
Description	2018/19	2019/20	2020/21	2021/22
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	68497	68497	68497	72261
Flush toilet (with septic tank)				389
Chemical toilet				
Pit toilet (ventilated)	98521	104816	105748	108058
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	167018	173313	174245	180708
Minimum Service Level and Above Percentage	76,5%	79,4%	75,8%	78,6%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	866	866	250	250
Other toilet provisions (below min.service level)	30025	30025	41714	47380
No toilet provisions	20306	14011	13695	1649
Below Minimum Service Level sub-total	51197	44902	55659	49279
Below Minimum Service Level Percentage	23,5%	20,6%	24,2%	21,4%
Total households	**218215**	**218215**	**229987**	**229987**
Total number of households including informal settlements				*T 3.2.3*

Table 30: Employees Sanitation Services

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T 3.2.7

Table 31: Sanitation Services Financial Performance

Financial Performance Year 2021/2022: Sanitation Services					R'000
Details	**2020/2021**	**2021/2022**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	59 192 593			64 715 462	1,00
Expenditure:					
Employees	-			-	-
Repairs and Maintenance	3 024 285			3 447 023	-
Other	1 145 748			29 752 309	1,00
Total Operational Expenditure	4 170 034			33 199 332	1,00
Net Operational Expenditure	(55 022 559)			(31 516 130)	1,00
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.2.8*

SANITATION SERVICES PERFORMANCE OVERALL

There was an in increase in the total number of households that received sanitation during the 2021/2022 financial year.

3.4 HUMAN SETTLEMENTS

3.4.1 Introduction

This function is performed to provide support and guidance to Local Municipalities although it's not a core mandate of the district. The support focuses on municipalities that are faced with capacity challenges and financial constraints in human settlements delivery. Furthermore, it coordinates infrastructure projects that are directly affecting human settlements in as far as sanitation and water services are concerned. Such coordination seeks to eliminate duplication of effort and assist in the monitoring of human settlement projects.

In trying to address these challenges that are facing the district in so far as human settlements development is concerned, CHDM ensures that human settlements forum is

coordinated every quarter and chaired by the portfolio councilor responsible for this function.

The forum is comprised of portfolio heads and officials that deals with human settlements; infrastructure and town planning in the district and all its 6 Local Municipalities; the Sector Departments, Department of Human Settlement in the Province and the Region also forms part of the gatherings.

3.4.2 Support on Human Settlements Development Plan

3.4.2.1 The Destitute Human Settlements Programme

This initiative was born in 2013 out of dire housing conditions experienced by certain families within the district without excluding people from the vulnerable groups. The budget for this programme is catered for under equitable share. Since its establishment, it's been rolled- out in each financial year throughout the district until to date. The are 6 houses to be constructed for 2021/2022 financial year.

Assessments is always conducted in order to ascertain and justify whether the beneficiaries are legitimate. This process is done in consultation with the local municipalities and other relevant role-players.

These houses are constructed by local emerging contractors, the first preference is always giving to the local emerging contractors residing in all 6 Local Municipalities.

3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.5.1 Introduction to Free Basic Services

The provision of access to free basic services is to cater for the basic needs of indigent households is a constitutional imperative. In response to this requirement, Chris Hani District Municipality developed an Indigent Support Policy. In the main, the policy addresses all issues related to the sustainable provision of basic services to indigent households in communities falling under the jurisdiction of Chris Hani District Municipality. It further sets out procedures and guidelines for the effective subsidization of basic service charges to approved indigent households within budgetary and intergovernmental grant guidelines. The policy also provides clarity on issues related to eligibility for benefiting from the basket of services organized under this policy.

Table 36: Free Basic Services to Low Income Households

Free Basic Services To Low Income Households						
	Number of households					
	Total	Households earning less than R3,800 per month				
			Free Basic Water		Free Basic Sanitation	
		Total	Access	%	Access	%
2017/2018	218,214	23,448	4,549	19%	4,549	19%
2018/2019	218,214	11,351	4,023	35%	4,023	35%
2019/2020	218,214	8,948	4,036	45%	4,036	45%
2020/2021	218,214	9,161	4,003	44%	4,003	44%
2021/2022	243,817	15,536	14,436	93%	6,300	41%
						T 3.6.3

Table 37: Financial Performance on Free Basic Services Delivered

Financial Performance 2017/2018: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2020/2021	2021/2022			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	6,083,230.48	8,745,000.00	4,082,445.00	11,103,304.00	21%
Waste Water (Sanitation)	3,078,256.50	3,582,800.00	2,060,511.00	5,411,488.21	34%
Total	9,161,486.98	12,327,800.00	6,142,956.00	16,514,792.21	25%
					T 3.6.4

The CHDM has a three-year cycle for its indigent register which started in July 2021 up to 30 June 2024. The register is reviewed every year within that period of three years. A total of 15 536 applicants were approved and included in the register as at 30 June 2022. As per CHDMs Indigent Policy, indigent households get free basic water for the first 6 Kiloliters used and a further free sanitation service rebate for the first 4 Kiloliters used which makes it 10 Kiloliters free basic services. Furthermore, indigent households are subsidized in full for availability charges for water and sanitation.

COMPONENT C

3.8 PLANNING AND DEVELOPMENT

3.8.1 Introduction

The Chris Hani District Municipality as guided by the legislation, Constitution of the Republic of South Africa, Act 108 of 1996, Part B of Schedules 4 and 5 places the function of town planning on Local Municipalities. CHDM Council is responsible for District Planning by providing support by assisting all Local Municipalities under its jurisdiction as demarcated.

In adherence to the prescripts of the Local Government: Municipal Structures Act, 117 of 1998. Chris Hani District Municipality strive to operate within a legal framework, which strives to ensure that municipalities deliver their developmentally oriented planning objectives of Section 152 and 153 of the Constitution as required to administer this process responsibly and effectively within the confines of the law.

Therefore, Chris Hani District Council, after being advised or guided by the Development Planning Unit in the Integrated Planning and Economic Development Directorate (IPED), established the position of a Town and Regional Planner with the duty of assisting Local Municipalities in the following aspects:

- Determine the efficiency and consistency of municipal spatial tools, i.e., SDFs, GIS and LUMS in addressing spatial matters.
- Ensure alignment of CHDM SDFs and Local SDFs in terms of development, review and implementation.
- Identifying and prioritizing municipalities requiring urgent assistance particularly those without the services of a Town Planner.
- Provide technical support to Local Municipalities in terms of developing credible SDFs; LSDF's, Land Use and Land development applications and
- To keep abreast of legislation and trends as this relates to Town and Regional Planning.

Municipal Planning in South Africa is striving to advance into integrated Planning shifting from the with the tune to move away from disadvantaged isolated planning.

The President of RSA retained the Spatial Planning and Land Use Management Act.16 of 2013 on the 02 August 2013, National Planning Legislation which is intended to create a single and uniform approach towards Spatial Planning and Land Use Management Systems.

In terms of Chapter 6 Section 34 (2), Chris Hani District Municipality entered into a Service Level Agreement (SLA) with the local municipalities within the area of the district municipality, except for Enoch Mgijima LM, to establish a Municipal Planning Tribunal to receive and dispose of land development applications and land use applications within the district municipal area. The duration for the DMPT to serve was 5 years and the contract ended after the agreed period.

Therefore, the Municipal Councils of the local municipalities below resolved to form a District Municipal Planning Tribunal (DMPT):

Inxuba Yethemba,
Intsika Yethu,
Engcobo
Emalahleni &
Sakhisizwe

On the 20th of April 2021, it was resolved in a special council meeting, that the current DMPT must continue serving for a further twelve (12) months effective from 1st May 2021 to 30th June 2022. The current DMPT is still serving the twelve (12) months extension.

A District Town Planner's Forum is conducted and scheduled to seat quarterly to specifically deal with town planning/ spatial planning issues affecting the spatial planning function throughout the district. This forum is functional and active, comprised of variety of development parastatals such as town planners/land use administrators/ environmental officials and/or spatial planning officials from CHDM, Government Departments namely Housing, DEDEAT, Public Works, SANRAL, Eskom and all development departments within the province and all its local Municipalities.

3.8.2 Spatial Planning

3.8.2.1 Preparation and approval process of a District Spatial Development Framework

In terms of chapter 5 section 20(1) (2) of the enacted Spatial Planning and Land Use Management Act 16 of 2013, Municipal Spatial Development Framework (SDF) must be prepared as part of a Municipality's IDP in accordance with the provisions of the Municipal Systems Act. CHDM has reviewed its SDF for the next 5 years in line with the directives of the National Spatial Development Plan (NSDP), National Development Plan and the Provincial Spatial Development Plan (PSDP). The review was in consultation with all relevant stakeholders.

- The current reviewed SDF 2018/22 has considered the Spatial Planning and Land use Management Act, 2013 norms and standards, and the Demarcation circular report inter alia, changes in local municipality boundaries. Amendment and expansion of the existing documentation based on the NSDP, EC Vision 2030, Eastern Cape Spatial Development Framework, Eastern Cape Rural Development Plans, Integrated Urban

Development Framework, CHDM GDS Agreement and IDP in order to ensure proper alignment.

3.8.2.2 Land use management

Whilst the CHDM does not have a direct role to play in terms of land use management, Chapter 6 Section 34(1) & (2) of SPLUMA Act influence the district to play a role in Land use management and as such the Act requires the Formation of Planning Tribunals to process Land Use applications through a District municipal planning tribunal. Land use and land development applications are processed in terms of SPLUMA. Tribunal is scheduled to sits quarterly in terms of the formed Terms of Reference.

Table 41: SPLUMA LAND USE APPLICATION REGISTER

SPLUMA LAND USE APPLICATION REGISTER					
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Applications Submitted	13	0	7	13	
Special Tribunal	0	3	1	0	
Approved	5	2	4	10	
Deferred Application	7	1	3	3	
Not Approved	0	0	0	0	

3.8.2.3 Small Town Revitalisation

The Small Towns Development approach looks at the redesigning of town layouts, reviving urban planning and environmental planning with the aim of ensuring the potential of the space in and around small towns is fully realised.

In support the Local municipalities, the Chris Hani District Municipality in implementation of the Integrated Urban Development Framework (IUDF) is a response to our urbanisation

trends and the directive by the National Development Plan (NDP) to exercise urban development that caters for the increasing numbers of demographics by ensuring proper planning and necessary infrastructure to support this growth attaining the urban vision outlined in the NDP requires integrated and coordinated interventions to deal with social exclusion, environmental threats, economic inefficiencies, decaying infrastructure and the impacts of new technologies. Through implementation of IUDF a New Deal for South African.

The concept of small towns' revitalization also proposes any future developments the municipality approves or endorsed as part of social responsibility from the developers. This must also accommodate the hawkers, malls, ranks, infrastructure development, paving, landscaping, greening, street naming and development of Local Municipalities.

Chris Hani has developed a Regional Economic Development Strategy highlighting the need to identify and prioritise small towns along identified economic corridors that have the potential to participate actively in the value chain of identified economic sectors, and to implement small town development initiatives.

Komani, Tsomo and Engcobo were identified as the towns with the potential to grow as it is one of the main service centers on the R61 east corridor. This culminated in CHDM and Enoch Mgijima by formalizing and upgrading the informal trading within town Engcobo and CHDM also entered into a Service Level Agreement to revitalize the town with the assistance of SANRAL.

The Small-Town Revitalisation concept is aimed at creating a development plan with a 30-year future outlook of its growth potential, as well as creating a plan that seeks to realised that potential.

The urban area is approximately 260ha in extent and is the secondary administrative center for the Enoch Mgijima District's, that includes the towns; Komani Central Road and Chris Hani District Main Offices, Bells Road, to the re-development and revitalisation of thereby unleashing development potential, attracting investment and upgrading delipidated infrastructure from previous planning methods.

The Small-Town Revitalisation Strategy (STRS) is a joint venture initiative by CHDM and Enoch Mgijima Municipality. This project is seen as an important tool to support adequate planning and service delivery and infrastructure needed in Komani town.

The following reflect the aims behind Small Town Development:

Strengthen the retail, business, industrial and employment role of the town centers.

- Build on the unique function of each of the sub-centers serviced by these major centers as a defining characteristic of these areas and a contribution to the Corridor Development Initiative in the district.
- Consolidate the individual roles of the centers so that they can better serve the sub-centers, and act as destinations for sub-center communities by providing an extensive and unique range of retail, community and leisure opportunities.
- Improve connections between the sub-centers and encourage activities adjoining access routes between the major centers and the sub-centers to create a more physically contiguous and integrated town center service area.

- To develop the community, civic and educational roles of the two centers as key attributes of vibrant town centers.

- Encourage new housing in and around the town centers that increases the range of housing choices.
- Create an attractive and distinctive built environment that supports the range of activities of the town centers; and
- Create a positive urban image for each part of the town centers through the design of buildings and spaces.

The following highlights are worth reporting:

CHDM has implemented paving programmes as part of small-town revitalisation in the following areas:

- Bells Road in Enoch Mgijima Local Municipality
- Beautification and upgrade of Carhart Road (including Hexagon public Park) and fencing of Komani Clinical gardens
- Middelburg in Inxuba Yethemba Local Municipality
- Cradock in Inxuba Yethemba Local Municipality

3.8.3 Planning

Table 42: Planning Service Policy Objectives

3.9 LOCAL ECONOMIC DEVELOPMENT

3.9.1 INTRODUCTION

During the 2018/19 Financial Year, Chris Hani District Municipality (CHDM) started the process of reviewing her Regional Economic Development Strategy (CHREDS). The review of the Chris Hani Regional Economic Development Strategy was built on the success and gaps identified during the previous work (CRED Strategy reviewed in 2014), adding new insights, and understanding that has resulted from discussions with key stakeholders, business representatives and partners through structures organized by the IPED Directorate of Chris Hani District Municipality. Our economic entities, namely the Chris Hani Development Agency (CHDA) and the Co-operative Development Centre (CHCDC) play a significant role in the economic development and growth of our district.

Economic Sector departments, particularly the then Department of Rural Development and Agrarian Reform (DRDAR) and the Department of Rural Development and Land Reform (DRDLR), now merged to form the Department of Agriculture, Land Reform and Rural Development (DALRRD), as well as the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) played a major role in shaping the rural and broader economic development of the region. CHDM can never be left behind in these attempts that seek to strengthen radical socio- economic transformation and address the national land question (Land reform to ensure that land is returned to its rightful ownership).

The strategy review process has gone through a number of different versions, each of which took into consideration the detailed inputs made by key stakeholders, including those of the CHDM councilors and officials.

3.9.2 Chris Hani Development Agenda and Corridor Development Approach

CHREDS deals with economic development as a theme that cuts across all sectors in Chris Hani District area. Whilst administrative boundaries may be tightly drawn in terms of local municipalities that fall under the district, partnerships and trade across boundaries are supported.

While the Development Agenda is based on the potential of each local municipality, the CHREDS is focused more on creating an enabling environment by developing programmes and making available resources to support projects that, in turn, are identified by local municipalities, private sector and entrepreneurs.

Chris Hani District Municipality is in a competitive position in a geographic sense. Its economic capital, Komani lies at the geographical heart of region, and is a gateway between the various powerhouses such as East London, Port Elizabeth, Bloemfontein, Johannesburg, Cape Town and Pretoria, and in an excellent position for business. It was for this reason that Komani, in the Enoch Mgijima Municipality, was identified as the economic hub of the district.

The four economic corridors, as defined by stakeholders, cut across different local municipalities and are as follows:

Corridor 1: Komani → Cofimvaba →Tsomo→Ngcobo

Corridor 2: Komani → Cacadu →Cala→ Ekhowa →Indwe→ Dordrecht

Corridor 3: Komani →Tarkastad→Hofmeyr→ Cradock → Middelburg

Corridor 4: Komani →Sterkstroom→Molteno→ Middelburg

3.9.2.1 Key Performance Highlights

Based on the Development Agenda and the economic potential identified in each corridor, the following programmes were implemented to enhance the economic development of the CHDM:

i) Forestry Development Programmes

Forestry development in the district mainly focused on Nursery and Charcoal production.

1) Tree Nursery Employment and Beneficiation

Tree nursery involves growing indigenous and exotic trees (Pine and Gum) driven as a commercial enterprise. The concept is based at supporting volumes of tree production by supplying seedlings and resources for the public and private sector. Vusisizwe Tree Nursery situated in Qumanco along R61 is one of the projects that benefited from this programme.

The project started in 2011 beneficiating three local municipalities viz Intsika Yethu, Engcobo and Sakhisizwe. Each local municipality provided five beneficiaries which sum up to 15 beneficiaries:

CURRENT EMPLOYMENT STATUS

Beneficiaries Two (2 Intsika Yethu)

Project officer One (1)

Security Two (1 Day, 1 Night)

Temporary labour Eight (Required when necessary)

Key operations included manual propagation of indigenous and alien plants, Manual and chemical weeding, Yard Cleaning and maintenance, River water carting and purification.

- Thus far the support to this project amounted to R 1, 000, 000.00 (One million rands) which is inclusive of repairing infrastructure, project operations, maintenance, and marketing.
- Project has managed to secure an off-take agreement with Hansmeresky for two consecutive years now.
- They also managed to have a working relationship with Amalinda nursery as and when they bulk indigenous seedlings
- Beneficiaries were paid monthly at a rate of R 98.00 per day through CHDM and Intsika Yethu LM EPWP fund.

2**.) Charcoal Employment and Beneficiation**

The Charcoal projects named Egoso, and Cala Pass charcoal primary cooperative were initiated to assist in reducing alien species that covered most of our Agricultural and Forestry land. The project was also used to fight poverty within CHDM communities by converting the alien species (Black wattle) into charcoal production.

The project started in 2011 beneficiating Engcobo and Sakhisizwe Local Municipalities. During the period under review sixteen (16) beneficiaries were employed in Engcobo Local Municipality with two securities manning the site day and night.

Key Project Highlights:

- Both sites are fully fenced with operational equipment.
- Both sites are legally allowed to operate.
- Water tanks installed at Egoso.
- Three toilets constructed at Egoso.
- Borehole installed at Egoso.
- Stakeholders are working on securing partnership with Clearcut coal.

Key operations included Harvesting of timber, filling of kilns with wood, burning and cooling of burnt charcoal, packaging for sales, manual and chemical weeding, yard cleaning and maintenance.

Thus far the support to this project amounted to R 1, 000, 000.00 (One million rands.) which is inclusive of repairing infrastructure, project operations, maintenance, and marketing.

iii) Agricultural Development Programmes:

Various initiatives embarked on under this programme included Irrigation Schemes, Dryland Crop Production including Rural Agro-Finance Initiative (RAFI) and Livestock Development Programmes.

Irrigation Schemes:

- CHDM in collaboration with the DRDAR, DRDLR, CHDA, CHCDC and Eastern Cape Rural Development Agency (ECRDA), continued their effort to resuscitate the Irrigation Schemes in Chris Hani District Municipality. These institutions constitute the Task Team that spearhead the operations in the Irrigation schemes.
- The District Municipality and the DRDAR assisted the farmers with production inputs and remuneration of core staff.
- In order to ensure the sustainability of the Irrigation Schemes DRDAR and CHDM through CHDA facilitated partnership arrangements for Ncora/ Qhumanco, Shiloh and Qamata Irrigation Schemes.
- CHDA was also assigned with further development of the Schemes and investment promotion.

Vineyard Project at Shiloh Irrigation Scheme

The yield obtained from the recent harvest early this year was 28.5 tons, which is expected to translate to 25 000 bottles of INKOSI wine. At the current retail price of R50 per bottle, this will generate a revenue of R1 250 000.00. Funding application to Anglo Gold Ashanti of R17 million for the Winery establishment (R12 million) and 10ha vineyard expansion (R5 million) has been made. Anglo Gold has visited the project and is busy looking at the application. Another funding application submitted to Hortfin for R25 million for further expansion of the vineyard establishment by 20ha. Application has passed first round of assessment by Hortfin investment committee.

Piggery Production in Bilatye Irrigation Scheme

Pigs are sold to the to the local market. CHDA is busy with identifying more marketing channels to ensure that the project gets the highest prices for the pigs.

Plans are in place by DRDLR to further support the project and CHDA will be advising on procurement of piglets and feed and facilitation of market linkages.

Qamata Mechanization Centre

DRDAR transferred nine (9) tractors and equipment to the center and approved an operational plan for the center to generate more funding. There is an SLA between DRDAR and CHDA which looks at supporting the funding of the center. CHDA has started with the readiness of the equipment to prepare for the planting season, including:

- Service
- Recruitment of operators
- Renovation of storage shed

The center has benefited more than 860 farmers and, in that process, managed to generate substantial revenue for the center. The center has affordable options for farmers to pay for services according to the affordability of the farmer.

Ncora/Qumanco Irrigation Scheme Report

Communities have accepted the establishment of the Trust that will represent all beneficiaries of Ncora from 10 villages. CHDA appointed a legal expert to facilitate this process. The community engagements were held with the farmers at each village, led by the Task Team comprised of officials from various government institutions.

Each village nominated 1 person, therefore there are 10 members representing communities in the Trust. Government will further appoint additional 5 members to advise and build capacity to the Trust. The trust will have 15 members in total.

After the Trust has been established, capacity building programme will be done to capacitate the Trust members to understand their roles and how to account to the beneficiaries

CHDM approved a budget of R750 000, in the 2021/22 financial year for the irrigation schemes and Mechanization Centre. This money was since transferred to CHDA, through quarterly transfers.

iv) DRYLAND CROP PRODUCTION

CHDM Rural Agro-Finance Initiative (RAFI) Commercial Pilot

The Chris Hani District Municipality committed 500ha for the commercial pilot of the RAFI programme. The pilot was done into two (2) Local municipalities, namely, Engcobo ad Intsika Yethu. The total planted during the 2021/22 is only 55 hectares for Maize. The storage has been secured for all sites.

Full Scale Commercialisation (40000ha)

Planning of 40000ha hectares for the full commercialization is progressing very well. Consultation with Kingdoms to get buy-in of the program has been completed and consultation with the traditional councils is in progress

Livestock Development Programmes:

- **Animal Dosing and Inoculation**

Animal Dosing and Inoculation which is implemented through CHDA has catered for 24 job opportunities, of which 8 are unemployed Agricultural Graduates within Chris Hani Region.

There are five (5) local municipalities which benefited from the programme. The commonage farmers at Inxuba Yethemba will be considered, budget permitting.

Custom Feeding Facilities

The Department of Rural Development and Agrarian Reform (DRDAR) and the Chris Hani District Municipality (CHDM) are spearheading Livestock production in partnership with NAMC. Through this programme Custom Feeding Facilities are supported for infrastructure maintenance. Continuous technical support was also provided to all the seven existing custom feedlots in the district.

v.) TOURISM DEVELOPMENT PROGRAMME

CHDM undertook various Tourism Development Programmes namely:

- Local Tourism Organization (LTO) support and Destination Marketing amongst others:
- LTO's with tourism stakeholders in the entire district benefitted from R 800 000 set aside for their operations
- As part of destination marketing, Tourism Indaba was attended where destination branding tools were showcased
- Discussions with National Department of Tourism to include Chris Hani Liberation Heritage Route are in progress

vi) HERITAGE DEVELOPMENT PROGRAMME

- Due to Covid-19 there were no Chris Hani Month programmes implemented. These would include hosting of the annual Chris Hani Month Marathon which continues to attract local and national athletes. There was also no implementation of 2020 and 2021 Heritage and Tourism Month programmes which included events such Horse Racing, Chris Hani Choral Music Association District Championships and Chris Hani Jazz Festival amongst others.
- Sabalele Development Centre was supported with R800 000 as an annual operational funding
- Support was also rendered towards the Bullhoek Massacre and Lesseyton church sites
- Support was also rendered towards the families of PAC members on exhumation, repatriation and reburial of the remains of their loved ones.

vii) ENTERPRISE DEVELOPMENT PROGRAMME

- The Chris Hani District Municipality, as part of its local economic development agenda, received applicants for funding from all Local Municipalities in 2019/20
- A total of 420 applications were received. Due to budget cuts, no applications were processed. Subject to funding availability, the hope was that the applications would be processed in the 2020/21 Financial Year, which again did not materialize due to budget challenges.

- Through partnership with Eastern Cape Development Corporation there were training programmes conducted for the CHDM Enterprises.

The Contractor Development Programme was implemented in the last financial year. The contractor Development Committee allocated sub-contractors to projects based on the project's requirements.

- **Some of the challenges identified include:**

1) Local Contractor Forums seeking to influence appointment of contractors for sub-contracting in certain projects. In some instances, there have been threats to stop some projects. To resolve this, the Committee, led by the Director IPED have engaged these forums to address these concerns.

2). Appointed sub-contractors not having financial resources to carry out the projects. Cessions with the main contractor have been developed to overcome this challenge

- The district continues to support the Chris Hani District Business Forum through payment of office rentals, telephone and another critical requirement. Funds are paid directly to service providers on behalf of the forum.

3.9.3 CHDM Economic Development Agency

The Chris Hani Development Agency's (CHDA) strategic framework is premised on the understanding that its role is to promote, support and facilitate economic development in the

Chris Hani District Municipality. This will be achieved by improving factors of production that will lead to value adding activities with spin - offs for small and medium enterprises.

The focus areas of the CHDA are:

- The development of irrigation schemes
- The development of the fruit industry (stone fruit and citrus)
- Livestock production
- Value addition and marketing

The Chris Hani Development Agency's (CHDA's) Strategic Framework maps out specific and general strategic goals, objectives and issues relating to its establishment and effective operationalization. The strategic goals are:

- Proficient and Viable Institution
- Viable and Sustainable Clusters and
- Partnership building and stakeholder relations.

The core business of the Agency is the delivery of projects that is aimed at contributing to the economic transformation of the district. This is achieved through leveraging funding from the parent municipality, provincial and national departments and other institutions in development finance space.

CHDA has identified strategic focus areas such as agriculture and agro processing linked to infrastructure and mechanisation support, skills development, Investment and Enterprise development. To maximize the economic benefit to rural communities in the Chris Hani District, programmes have to be financially viable and address both the economic and development needs of the district.

The main focus area is facilitation and implementation of programmes that ensure the operationalization of the four main Irrigation Schemes, increased production of high value crops, fruit, vegetables and new forest plantations. Linked to this is the dedicated focus towards the development of support infrastructure that includes storage facilities, roads, fencing, infield irrigation and facilities to support value addition. Apart from the above, the Agency operates mechanisation centers whose intention is to reduce costs of mechanisation and provision of excellent mechanisation services to the farming community.

Future sustainability of the Agency depends on its ability to position itself as an economic development catalyst and coordinator for the realisation of the economic growth of the

district municipality. In pursuit of this the Agency has to adopt the following key considerations in its planning and operation framework:

- innovative fundraising and co-funding initiatives.
- continuous development of project pipeline by identifying new project; and
- own revenue generation initiatives

FINANCIAL SERVICES

3.16.1 Introduction to Financial Services

During the financial year, municipal bills were produced and sent to customers, customer data cleaned, queries were resolved, and debt collected at a collection rate of

The municipality has implemented credit control policy by disconnecting government department and business in the entire district.

Debt recovery update for 2021/2022 Financial year

COMPONENT E
3.11 ENVIRONMENTAL MANAGEMENT: BIODIVERSITY

3.11.1 Introduction

Environmental Management function strives to ensure the realization of the Environmental right stipulated in the Bill of rights under Section 24 of the Constitution of the Republic of South Africa, 1996. The constitutional right in section 24 elevates environmental protection, environmental management and environmental law considerations within the context of the undertaking of developments or other projects. To give effect to the Bill of Rights, which includes the social, economic, and environmental spheres, a suite of national legislation and policy addressing environmental functions has been implemented since 1994. The National Environmental Management Act (Act No. 107 of 1998) (NEMA) acts as a framework legislation giving effect to section 24 of the Constitution. NEMA provides for co-operative governance, ensures public participation in environmental decision-making, seeks to alleviate environmental injustice and ensures sustainable development.

The Local Government: Municipal Systems Act 32 or 2000 (“the Municipal Systems Act”) gives further effect to these constitutional imperatives. Municipalities have the duty to strive to ensure that municipal services are provided in an environmentally sustainable manner. All organs of State also have the responsibility to protect, promote and conserve the needs of the people. The section also stipulates that the organs of State have to serve as custodians of the environment, and it is their duty to guide the implementation of this Act.

The Chris Hani District Municipality (CHDM) through the Environmental Management Unit seeks to adhere to the provisions of the above-mentioned pieces of legislations. Critical to the Environmental Management unit is to provide policy direction for the District through the development of Environmental Planning Tools (i.e. Environmental Management Plan, Climate Change Strategy, Integrated Waste Management Plans etc). These planning tools were developed in collaboration with all other interested and affected stakeholders. These strategic documents were adopted by Council and seek to address adaptation & mitigation measures in an attempt to conserve the natural resources that exist within the District.

During the financial year under review, CHDM implemented the following programmes to ensure sound environmental Management practices:

Climate Change & Awareness Programmes

The concept of Environmental management and law today requires an acknowledgement that climate change and habitat destruction are global and complex. They demand far deeper transformations of the economy, culture and political life - if human kind carry on the way they do currently, the planet will implode. The Chris Hani District Municipality (CHDM) with the support from the Department of Forestry, Fisheries, and the Environment (DFFE) and Department of Economic Development Environmental Affairs and Tourism (DEDEAT), established a fully functional District Disaster Advisory, Environment and Climate Change Forum to engage stakeholders on environmental issues and the impacts they have on our communities.

The Forum has since integrated Disaster Management and intends to ensure an ongoing dialog within the District on matters pertaining to environmental management, disaster management and Climate change, furthermore it seeks to raise environmental consciousness and facilitate environmental capacity building within the district. The Disaster Advisory, Environment and Climate Change Forum is intended to enhance environmental governance and ensure capacity building initiatives are in the form of educational presentations to relevant stakeholders on matters concerning the environment & Disaster

Management. The Forum convene on a quarterly basis and serves as a platform for Local Municipalities and government departments to report on matters pertaining to Disaster Management, Climate Change and Environmental Management broadly. The District Council adopted a District- Wide Climate Change Strategy which made provision of a coordinated approach to mitigation and adaptation to climate change. The District implemented the Rural Sustainable Villages project which seeks to provide climate change mitigation and adaptation measures. This project aims to address these challenges with the proposed Rural Sustainable Villages Project through three main project components. These are:

- Capacity development and training,
- Provision and support of a range of sustainable technologies and practices
- The initiation and support of local economic activity.

This project demonstrates sustainable resource management at schools by using a biogas sanitation system which links to the school nutrition and then ultimately feeds the school's agro-ecological food garden production. This is linked to a number of positive social, financial and local economic impacts. The project will be implemented under the following aspects: Waste management, Rainwater harvesting, Food gardens, Community Orchards, Sustainable technologies as well as Indigenous gardens. There are 11 schools that are benefiting from this project within five (5) of the CHDM Local municipalities with the exception of Inxuba Yethemba Local Municipality.

The project officially commenced in the 2018/19 financial year after having concluded all the contractual processes with the project implementers (Wildlife and Environment Society of South Africa – WESSA). The project continued in the 2019/2020 and 2020/2021 financial year after the receipt of the second tranche (R4, 126 373.75) of the funding in May 2020.

The total budget for the project is R10.326 373.75 million and will be implemented over a duration of two financial years. The Eco-Schools programme is an international programme of the Foundation for Environmental Education (FEE) that was developed to support environmental learning in the classroom. The programme is aimed at creating awareness and action around environmental sustainability in schools and their surrounding communities as well as supporting Education for Sustainable Development in the national curriculum. The District Eco – School awards were conducted successfully.

Environmental awareness programmes jointly with key stakeholders and four programmes are conducted in each quarter which amounts to a minimum of sixteen (16) programmes per

financial year. The target audience are mainly disadvantaged communities (rural communities) and school learners. The CHDM contributes towards the celebration and observation of days identified in the environmental calendar which are celebrated annually with different selected themes (World Wetlands Day, Arbor Week and Clean-up and recycling week etc). These calendar days serve as awareness programmes that afford various stakeholders particularly the disadvantaged communities / youth an opportunity to be capacitated on the importance of environment and how the environment can positively impact on human life if utilized in a sustainable manner.

Waste Management Programme

The result of the mismanagement of ecological resources has given a rise to the Chris Hani District Municipality (CHDM) being the victim of being heavily accumulated of waste. Illegal waste dumping sites across the local municipalities within the district municipality have become common next to residential and within the environment entirely. Municipalities are mandated in terms of the law to provide services to their citizens, this mandate is legislated through Section 5 of the Municipal Systems Act, National Environmental Management Act and Section 9 of the National Environmental Management Waste Act. These pieces of legislation mandate municipalities to ensure that the public receive sustainable waste management services such as refuse removal, environmental management, and waste treatment & disposal methods that are not adverse to the health of the community.

The Executive Mayor of CHDM pronounced in the 2019 State of the District Address that there must be work opportunities created in the waste management sector as our municipalities are struggling to effectively ensure that our towns remain clean. CHDM through Health and Community Services directorate has taken an initiative of addressing the above mentioned pronouncement. This program has been adopted/uplifted in 2020/21 financial year as to give effect to the statement of the Executive Mayor.

Consequently, waste management activities are long term management projects and require careful and well considered planning and execution. In that regards, Chris Hani DM now has a clear road map in dealing or addressing such detrimental impact within its area of jurisdictions. CHDM adopted the Integrated Waste Management Plan that is currently being implemented in the District. This Plan seeks to provide appropriate waste management measures and through the implementation of labor-intensive waste management project this has contributed improving the status quo and unlocking of economic opportunities. The Waste Management Programme was implemented at Engcobo Local Municipality , Inxuba Yethemba Local Municipality and Enoch Mgijima Local

Municipality, this programme promoted job creation and potential business ventures ranging from waste collection and recycling as well.

The Chris Hani District Municipality adopted a District – wide Environmental Management Plan (EMP) as per the provisions of the National Environmental Management Act (Act No. 107 of 1998) (NEMA). NEMA mandates organs of state (sector Departments and Municipalities) that exercise functions that affect the environment to develop an Environmental Management Plan (EMP). The "Chris Hani District Environmental Management Plan" seeks to ensure that the resources in the District are used to their fullest potential in promoting and protecting a sustainable environment, identifying elements and locations of economic growth to improve the quality of life for its people in the communities.

Greening and Land Care Programmes

Trees are planted for purposes of greening especially in towns, villages and schools. Trees are a valuable resource providing both environmental and economic benefits. By planting trees, the country can make a difference as trees contribute to cleaner air, lower energy costs, greater protection of soil and water supplies, reduced noise levels, contribute to food security and a more ambient environment in which to live. Additionally, emphasis is made to highlight the need for the conservation of forests and in particular indigenous trees that are threatened by extinction. In relation to greening, CHDM has resolved to 'green' its events by planting trees as a means of striving to counteract the carbon footprint. The District has promoted tree planting in the environmental awareness programmes conducted and in the schools that are part of the Rural Sustainable Villages project

Environmental Planning and Management

CHDM has adopted a number of Environmental Management tools that are provisions of NEMA and other Specific Environmental Management Acts (SEMA's). CHDM Council adopted the Environment and Climate Change Strategy (2018 – 2023)), Environmental Management Plan (2018-2023), Alien Invasive and Bush Encroaching Plant Management Strategy (2017 – 2022). The Air Quality Management Plan was adopted by Council in July 2019. The Integrated Waste Management Plan for the District is reviewed in the 2019/2020 financial year and adopted by Council in June 2020. These sector environmental plans assist the District in providing long term strategic planning and direction to ensure effective implementation of sustainable environmental management practices. The process for developing these sector plans was concluded following a comprehensive consultation process with a wide range of stakeholders and structures.

COMPONENT F
3.12 ENVIRONMENTAL HEALTH

3.12.1 Introduction

Environmental Health is concerned with monitoring or mitigating those factors of the natural and built environment affecting human health and disease. It involves identifying and evaluating environmental sources and hazardous agents and limiting exposures to hazardous physical, chemical, and biological agents in the air, water, soil, food, and other environmental media or settings that may adversely affect human health. The programmes are implemented as per Regulation 123, Scope of Profession for Environmental Health under the Health Professions Act (Act No. 56 of 1974 as amended). Also through implementing relevant legislation e.g. Foodstuff, Cosmetic and Disinfectant Act (Act No. 54 of 1972 as amended) etc.

3.12.1.1 Water quality monitoring

CHDM is responsible for ensuring that the water provided to communities is safe for human consumption and adequate for domestic use as well as for recreational, industrial, food production and all other human and animal use. This is facilitated through water sampling and analysis in compliance with South African National Standards (SANS): 241, and General Authorisation in terms of section 39 of the National water Act 36 of 1998.

- During the period under review, 2101 drinking water samples were tested for compliance, and of these 7 (0.33%) failed to meet the standard while 99.7% of the samples tested complied. The Environmental Health Practitioners (EHPs) continue with their monitoring to ensure that they are able to detect and advice on control measures for prevention of any diseases that may be water related. This ensures that no communicable diseases or other water related health outbreaks occurred.
- In relation to waste water monitoring, 144 waste water samples were tested during the period under review. Of these, 94 (65%) complied with General Authorisation in terms of section 39 of National Water Act, due to infrastructural problems in our waste water treatment works. However, there is an improvement compared to the previous financial year following interventions that were put in place by the district.

3.12.1.1 Health and Food Control

Food Inspections

The district has a responsibility of ensuring food safety in respect of acceptable microbiological, chemical and hygiene standards. This is implemented by monitoring food premises for compliance with set standards on a monthly basis to ensure compliance of all food premises and optimal hygiene control throughout the food supply chain.

- During period under review, 560 food premises were monitored, and of these premises 2193 inspections were conducted. Out of the 2193 inspections conducted 948 inspections met the acceptable standards according to Regulation 638 (formerly known as R692) and Regulation 1555 respectively. 1245 inspections did not comply due to poor hygiene practices by Food Handlers. Health and hygiene awareness campaigns and training programmes were conducted in the affected food premises in an attempt to deal with this health problem by raising levels of awareness and also promote good health and hygiene practices. These campaigns are on-going, and the positive impact of these efforts are yielding results as there are no incidents of food poisoning cases that were reported.
- Also during period under review, 40 Operation Gqogqa (Food Blitz) were conducted to all formal and informal food premises within the CHDM area.

3.12.1.3 Health Surveillance Of Premises

This function is performed to ensure urban and rural land use, planning and practices that are conducive with sustainable development. This is done through environmental health impact and other assessments in a manner that ensures the prevention and abatement of any condition on any premises, which is likely to constitute a health hazard. The following premises were evaluated during this financial year in line with the standards as set out in prescripts of law:

Food premises: These premises are both formal and informal. Their business set up is therefore distinct due to their different economic status. Council is paying particular attention to develop the informal sector so that it can contribute meaningfully to the economy of the district.

Funeral Parlours: The parlours are evaluated in terms of Regulation 363 of 2013 relating to the Management of Human Remains. Most of these parlours are not meeting the requirements. Compliance letters were written to all the affected premises. Follow up

inspections are conducted on a regular basis. Funeral Parlours engagements through funeral parlours forum and workshop added value in compliance with health requirements.

Sanitation structures: The Sanitation structures are evaluated in terms of the White Paper on Basic Household Sanitation of 2001.

Waste Management: The inspections are conducted in LM's waste site to assist them to come to compliance to the NEM Waste Act 2008.

The above financial performance information includes all units under Health and Community Services.

3.12.1.4 Health and Hygiene Education And Awareness Programme

Training, Health and hygiene awareness campaigns were conducted to food premises in an attempt to raise the levels of awareness and also promote good health and hygiene practices especially under the recent outbreak of Listeriosis in South Africa and mushrooming of informal and formal food premises. Health and hygiene education is also aimed at preventing environmentally induced diseases and related communicable diseases. In total 60 health and hygiene programs were conducted to different stakeholders.

Also waste management awareness campaigns were conducted in each local municipality across the District. The campaigns were targeting school pupils and communities focusing on waste management e.g. recycling initiatives and anti-littering programmes. Environmental Health Days were observed i.e. World Environmental Health Day, Hand Washing Day, Toilet Day, Water Week and National Sanitation Week.

COMPONENT G: FIRE SERVICES AND DISASTER MANAGEMENT

3.13 FIRE SERVICES

3.13.1 Introduction

The Chris Hani District Municipality Fire Services has obligations towards the citizens in the CHDM area of jurisdiction by rendering firefighting services as prescribed in the Fire

Brigade Act (99 of 1987) “service” means a fire brigade service intended to be employed for which is natural to a fire services :—

(a) preventing the outbreak or spread of a fire;

(b) fighting or extinguishing a fire;

(c) the protection of life or property against a fire or other threatening danger;

(d) the rescue of life or property from a fire or other danger;

(e) subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or

(f) The performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

The key areas that the Fire Services have to implement are the following:

- Planning, coordination and regulation of fire services.
- Specialized Fire Fighting Services such as mountain, Veld and chemical fire services;
- Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures;
- Training of fire officers.

Fire prevention and fire safety inspections are the core functions of fires services including Fire awareness programs,

Fire Safety, prevention- and- awareness programs aimed at assisting the communities by preventing and extinguishing fires when they occur. Due to these programs there is a reduction of fire incidents and they also reduce the utilisation of resources in an event of a fire.

Fire Inspections were conducted for compliance purposes. A total of 82 inspections were conducted during 2020/2021 financial year. A total of 51 Fire awareness programmes were conducted during 2021/2022.

Key performance highlights

Chris Hani Fire &Emergency Services are still committed to render an effective, efficient and economical Fire services to the Chris Hani District. CHDM worked in partnership with some local Municipalities to reduce risks of fires by providing specialist fire safety advice, support and interventions.

3.14 DISASTER MANAGEMENT

3.14.1 INTRODUCTION

The Disaster Management Service is implemented in terms of the Disaster Management Act (No. 57 of 2000) as amended, National Disaster Management Policy framework, GN 654 of 2005, and Chris Hani Disaster Management Policy Framework GN 3162 of 2014.

The core mandate of Disaster Management Unit is to effectively implement an integrated and co-ordinated Disaster Management Legislations that focuses on: -

- Integrated Institutional Capacity for Disaster Risk Management
- Disaster Risk Assessment
- Disaster Risk Reduction
- Response & Recovery
- Information Management and Communication
- Education, Training, Public Awareness and Research
- Funding Arrangements for Disaster Risk Management

KPA's

The Disaster Management core function of the Chris Hani District Municipality is implemented according to the four (4) KPA's and three (3) enablers:

- Institutional capacity - Strengthen the District Disaster Management Advisory Forum that sits quarterly and deliberate on issues related to Disaster Management and Climate Change with all stakeholders.
- Disaster Risk Assessment - District Wide Disaster Risk Assessment was conducted.
- Disaster Risk Reduction-Public Awareness Programs were conducted throughout the six Local Municipalities on matters related to Risks/Hazards the communities of Chris Hani District Municipality are faced with**.** International Day for Disaster Reduction (IDDR) is observed annually on the 13 October.
- Response and Recovery – Disaster Management is having a primary responsibility to respond to Disaster Management Incidents reported and provide assistance with relief and recovery material to all those affected disaster-stricken households.

ENABLERS:

- Information management and communication – Communication Centre including Installation of Disaster Early Warning System in LM's.
- Education, training, public awareness, and research – Awareness campaigns.
- Funding arrangement for Disaster Risk Management - Funding option (incentives, grants).

SERVICE STATISTICS FOR DISASTER MANAGEMENT

INCIDENTS

During the period under review 1 major hailstorm and tornado disaster incident occurred and affected the following local municipalities Sakhisizwe, Enoch Mgijima, Emalahleni, Engcobo and Sakhisizwe which left people homeless as their houses were totally destroyed and many houses partially destroyed. In total 62 households were assisted with disaster relief material. Department of Human Settlements assisted with temporary shelters for the deserving

homeless beneficiaries. Department of Social Development and SASSA provided psychosocial support and disaster material support in the form of food parcels respectively.

DISASTER RELIEF

Disaster relief material was handed over to 62 households at Emalahleni 22, Sakhisizwe 21, Enoch Mgijima 3, Intsika Yethu 4 & Engcobo 12.

DISASTER ADVISORY FORUM MEETINGS

Four meetings were held during the financial year.

PUBLIC AWARENESS PROGRAMS

A total of 61 public awareness programs were held in all local municipalities Enoch Mgijima, Emalahleni, Inxuba Yethemba, Intsika Yethu, Engcobo and Sakhisizwe. The disaster unit exceeded the number of programs that were planned since the District was confronted by a National State of Disaster (COVID-19 Pandemic) as a result awareness programmes were on demand, hence they were intensified.

INTERNATIONAL DAY DISASTER REDUCTION

In October 2021 Chris Hani Disaster Management unit commemorated an Annual International Day for Disaster Reduction that was held at Bholotwa Village , in Ward 01 at Enoch Mgijima Local Municipality. In the bid to demonstrate the concept of risk reduction into action, this year's program focused on supporting Three Pre-schools with 3 x5000L Jojo tanks and built two Handwash stations were handed to two schools in order to assist those schools to comply with COVID-19 protocols .

EARLY WARNING SYSTEM

The second Early warning system is Installed at Sakhisizwe local municipality, this system are the result of the memorandum of agreement between South African Weather Services and Chris Hani District Municipality which seeks to assist the District in informing their communities of severe weather conditions before they occur.

FINANCIAL SERVICES

3.16.1 Introduction to Financial Services

During the financial year, municipal bills were produced and sent to customers, customer data cleaned, queries were resolved, and debt collected at a collection rate of

The municipality has implemented credit control policy by disconnecting government department and business in the entire district.

Debt recovery update for 2021/2022 Financial year

3.18 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.18.1 Introduction

Chris Hani District Municipality (CHDM) is moving through a significant period of chan and development. In recognition of this and the need to ensure that it can continue to me the aspirations of the community, the municipality has undertaken to put in place seve Strategic and Business Plans to deliver short-, medium-, and long-term objectives in Integrated Development Plan (IDP). The municipality is providing committed strate planning and leadership, focused on strengthening our community, providing growth, a diversifying the district economy. Information & Communication Technology (ICT) h profoundly changed almost all aspects of society. It is now central to how peo communicate, interact, make decisions, and do business. This includes the way t municipality operates and delivers its services to its community. ICT has and will contin to play a key role in how the municipality operate as a business as the municipality look leverage technology to provide more efficient and effective services to its community a stakeholders.

The mandate of the Information Communication Technology (ICT) unit is to provide IC services and support to the District Municipality and to provide secure, reliable a consistent platform for information accessibility.

SERVICE STATISTICS FOR ICT SERVICES

Information Communication Technology Governance

The King 3 report on IT governance states the importance of establishment of IT Governance Framework. The IT Governance Framework supports effective and efficient management and decision making around the utilisation of IT resources to facilitate the achievement of the municipal objectives and the management of IT-related risks. It includes a charter, decision-making structures, accountability framework, IT reporting and an IT internal control framework.

CHDM has an approved ICT Governance Framework which is based on the principles of Cobit 5. Council established ICT Governance committees as per the adopted ICT Governance Framework. There is one ICT governance structure in existence, which is the ICT Steering Committee.

ICT governance provides guidelines and measurement to effectively utilise IT resources and processes within an organisation. This includes but not limited to:

- IT Reporting and accountability structures
- ICT Governance and Management processes
- ICT Compliance with relevant laws, regulations and standards
- ICT strategic alignment
- Resource's optimisation
- Risk optimisation, controls and mitigations
- Performance Management processes
- Benefit Realisation and Value Delivery processes
- IT acquisition and disposal processes

The CHDM council has adopted ICT governance framework and its charter on the 30 June 2021. Furthermore, CHDM council has also adopted 22 ICT policies in in support of ICT governance framework. All ICT governance related matters are delt with in the ICT governance framework documents.

ICT Risk assessment is performed to help identify ICT risks that may impact business assets and identify the measures that can be put in place to minimise or eliminate the effect of those risks. ICT Risk Assessment is performed annually, and the ICT Risk register has been developed and it is updated quarterly.

ICT Service Continuity

The municipality has adopted ICT Disaster Recovery Plan (DRP) and Backup policy and the DRP is implement and hosted at Disaster Recovery site (East London IDZ). DRP has been tested and replications are conducted to ensure that IT service can continue in the event of disaster.

ICT Service Management

A Helpdesk is a resource intended to provide the customer or internal user with information and support related to a company's process, products, and services. The purpose of a help desk is to provide a centralized resource to answer questions, troubleshoot problems, and facilitate solutions to known problems.

ICT currently does not have any HELP DESK system in place. In the meantime, ICT has introduced an incident report workbook that is used by Technicians and Network Administrators to log all ICT incidents. Impero Workplace Remote support software is also used to assist users remotely to limit physical contact with users. In support of helpdesk, CHDM council has adopted incident and problem management policy.

ICT Physical and virtual infrastructure

ICT has previously been operating with legacy systems and discontinued versions of Operating System which were no longer been supported by 3rd party vendors causing integration problems and even networking stability problems. ICT Unit has since upgraded all operating systems on the servers to the latest Microsoft versions. The systems are centralised and using an updated version of Operating System and Antivirus software. The table below illustrates current operational server infrastructure:

Server Infrastructure

HOSTING SERVERS					
Server Name	O.S.	Ver		Antivirus Product	Version
CHDM-SC01	Windows 2019 DataCenter	1809			

	Running System Center 2019 Virtual Machine Manager				
CHDM-HV01	Windows 2019 DataCenter	1809		Eset File Security	7.3.12002.0
CHDM-HV02	Windows 2019 DataCenter	1809		Eset File Security	7.3.12002.0
CHDM-HV03	Windows 2019 DataCenter	1809		Eset File Security	7.3.12002.0
CHDM-HV04	Windows 2019 DataCenter	1809		Eset File Security	7.3.12002.0
VIRTUAL SERVERS					
CHDM-DC01	Windows 2019 Standard	1809		Eset File Security	7.3.12002.0
CHDM-DC02	Windows 2019 Standard	1809		Eset File Security	7.3.12002.0
CHDM-AZUREAD	Windows 2019 Standard	1809		Eset File Security	7.3.12002.0
CHDM-MAIL3	Windows 2019 Standard	1809		Mail Security	7.3.10011.0
	Ver:Exchange Server 2019				
CHDM-AV01	Windows 2019 Standard	1809		Eset File Security	7.3.12002.0
CHDM-WSUS	Windows 2019 Standard	1809		Eset File Security	7.3.12002.0
FS1	Windows 2019 Standard	1809		Eset File Security	7.3.12002.0
CHDM-VEEAM	Windows 2019 Standard	1809		Eset File Security	7.3.12002.0
PAYDAY	Windows 2016 Standard	1607		Eset File Security	7.3.12002.0
CHDM-GIS	Windows 2012 Standard	6.2		Eset File Security	7.3.12002.0
CHDM-RMA	Windows 2016 Standard	1607		Eset File Security	7.3.12002.0
PHYSICAL SERVERS					
CHDM-PRSERVER	Windows 2016 Standard	1607		Eset File Security	7.3.12002.0
BEL-PRSERVER	Windows 2012 Standard	6.2		Eset File Security	7.3.12002.0

The Municipal server room has two (2) air conditioners, raised floors installed, environmental monitor installed, and it is functional, however, biometrics access control is not functional.

Physically the municipal offices or sites utilize both copper connection and wireless connection (WiFi). Copper connection in the offices or sites use CAT5 and CAT6 which are

type B terminated. CAT5 is an outdated physical connection with limitations. The cable installation is not done under any recommended certification and standards. Wireless connectivity is used in the buildings which are leased to the municipality and not allowed to install physical cabling infrastructure. ICT recycled outdated wireless access points which constantly break down and have technological limitations. Investing in the infrastructure will greatly increase productivity of the institution and open opportunity for new solutions.

Digital World, Transformation and Tools

In rhythm with the world digital transformation, CHDM has invested in digital infrastructure, platforms and productivity tools. One of the effective investments has been the Microsoft Enterprise Agreement.

The Microsoft Enterprise Agreement offers organizations with 500 or more users or devices a manageable volume licensing program that gives them the flexibility to buy cloud services and software licenses under one agreement. The municipality has entered into a 3-year agreement with Microsoft. The agreement includes Microsoft 365 cloud platforms such as Office 365, Microsoft Teams, SharePoint Online, Exchange Online and One drive.

The return on investment with this agreement has been released on software access (both Operating Systems and Productivity Applications) as listed below. With this agreement the municipality is allowed access to all the Microsoft products as per the agreed package. The licensing include all updates and upgrades that are provided within the defined licensing period. This gives CHDM access to the latest technologies and features without making any extra payments.

- Desktop Operating Systems (Windows 7, 8, 10 and 11)
- Server Operating Systems and Platforms (Windows Server, Exchange Server, SQL Server)
- Productivity Applications (MS Office, Projects, Visio, etc.)
- Cloud Applications and Platforms (M365, Exchange Online, Azure AD, MS Teams)

Information Technology Security

CHDM in its operations collects personal information to effectively carry out its everyday business functions and activities and to provide the products and services defined by its business type. Such data is collected from employees, customers, suppliers and clients with (but is not limited to), name, address, email address, date of birth, identification numbers, private and confidential information, sensitive information and bank/credit card details. This information is accessed not only by ICT rather by all business units of the municipality. The three key elements of an effective ICT security system include:

- **Confidentiality** involves the protection of assets from unauthorized entities.
- **Integrity** ensures the modification of assets is handled in a specified and authorized manner.
- **Availability** is a state of the system in which authorized users have continuous access to said assets.

In addition, the Municipality may be required to collect and use certain types of personal information to comply with the requirements of the law and/or regulations, however the Municipality is committed to processing all personal information in accordance with the Protection of Personal Information (POPI) Act and any other relevant to the data protection laws and codes of conduct (herein collectively referred to as “the data protection laws”).

The municipality adopted an ICT security policy, patch management policy and firewall policy, data protection policy and data privacy plan. CHDM ICT currently have the following ICT Security measures: - Windows server update services (WSUS) are utilised to deploy the latest Microsoft products updates. Once fully utilised WSUS can be used to fully manage the distribution of updates that are released through Microsoft Update to computers on your network.

Antivirus (ESET endpoint security) is used to prevent, scan, detect and delete viruses from a computer, it runs automatically in the background to provide real-time protection against virus attacks. The antivirus is updated regularly to ensure effectiveness.

Firewall (FortiGate) is used to filter Internet traffic in order to mitigate risks and losses associated with security threats, while maintaining appropriate levels of access.

Mimecast used to detect unsolicited and unwanted email and prevent those messages from getting to a user's inbox. Like other types of filtering programs, a spam filter looks for certain criteria on which it bases judgments.

Data protection software has been deployed to protect data (encryption) from unauthorised access and to backup all computers to the cibecs server.

Connectivity

Chris Hani District has offices in multiple towns across the district, this is to aid in bringing municipal services to the people. ICT provides connectivity to these satellite offices.

Satellite Offices

The utilization of Telkom MPLS VPN bridges the geographical gaps within the sites to act as one unit and share the same resources including a unified telephone system. Below are the sites connected via Telkom MPLS VPN.

Satellite Offices

Satellite Offices	Site	Internet speed (KB)
Komani Offices	Bells Road offices	8000k Ethernet Access
	Finance and Engineering	30000k Ethernet Access
	Health	1536k IP Access
	IPED	1536k IP Access
	Disaster Management Centre	8000k Ethernet Access
	Fleet Management	1024K IP access
	Berry Dam Water Services	1984k IP Access
	SPU	1984k IP Access
	Customer Services Molteno	1984k IP Access

Intsika Yethu Offices	Water services Cofimvaba	1984k IP Access
Emalahleni Offices	Water Services Cacadu	1984k IP Access
	Water Office Indwe	512k IP Access
	Water Office Dordrecht	512k IP Access
Tsolwana Offices	Water services Takastad	1024k IP Access
Engcobo Offices	Billing offices Ngcobo	1024k IP Access
Inxuba Yethemba Offices	Roads Offices Cradock	1024k IP Access
Sakhisizwe Offices	Water Office Elliot	512k IP Access
	Water and technical offices Cala	512k IP Access

Satellite Offices not connected to MPLS

LOCAL MUNICIPALITY	SITE NAME
NGCOBO	• Fire offices • Technical office • (EHS)Qhumanco
Intsika Yethu Municipality	• Billing • Technical Offices
Emalahleni	• Technical services
Enoch Mgijima	• Technical Services • Admin offices
Tsolwana	• Billing offices
Inxuba Yethemba	• Billing • Environmental Health • Fire Offices
Inxuba Yethemba	• 3X Billing • Environmental health

The Municipality's ICT section is busy researching on how to utilize affordable technology like Software Defined Wide Area Network (SDWAN) and other solutions to connect sites. Once the research has been concluded, a recommendation will be done to council about the technology that can be utilized to connect all satellite offices that are not connected.

Municipal officials working in these sites are currently connected using mobile broadband through a secure VPN access to municipal applications.

Internet connectivity

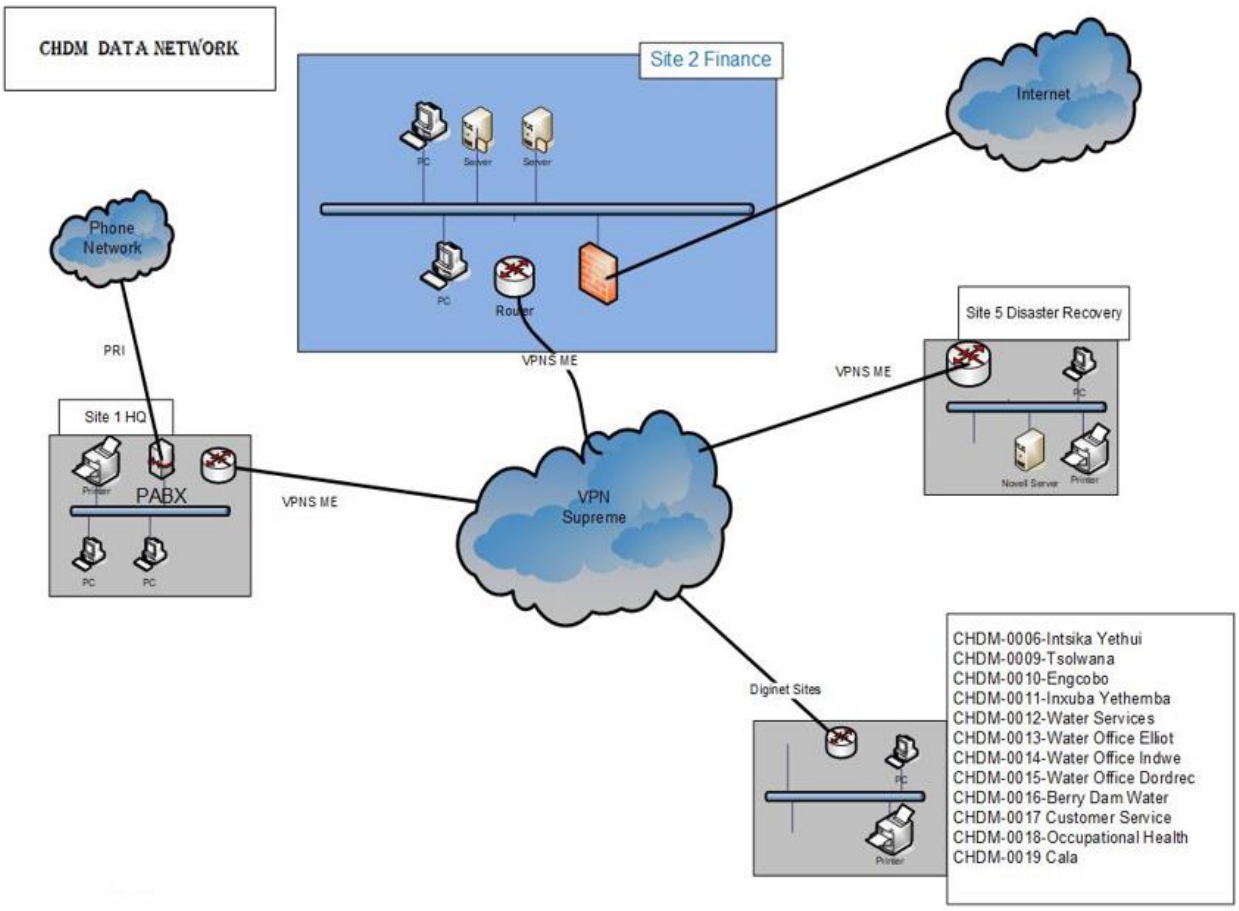
The Internet breakout for the entire Chris Hani District Municipality is a 50 Mbps fibre line provided by Internet Solutions. This breakout is central, and all connected sites connect to it through the CHDM firewall. Since all the sites are breaking out centrally the line is over utilized especially during peak hours.

Service Level Agreements

The municipality has cancelled some services that were not adding value to its business rather wasteful. Some of SLAs such Telkom MPLS and Internet Solutions had since expired and they are on a month-to-month basis. The active ICT related SLAs service review meetings are conducted quarterly and or as per agreement.

ICT Network Diagram

The following shows the current network diagram of CHDM.



CHDM Network Diagram

Application Software

software applications are a critical component of the CHDM's technology environment. Table below identifies CHDM's core applications, the department that owns the application and vendor responsible for maintenance support.

CHDM Core Applications

Application	Application Owner (Department)	Maintenance Support Vendor
PayDay	Budget and Treasury	PayDay
Solar	Budget and Treasury	BCX
GIS	Engineering	ArcGIS
SharePoint	ICT	Microsoft

Exchange	ICT	Microsoft

Table 68: Information Communication Technology Service Policy Objectives

Information Communication Technology Service Policy Objectives as per IDP											
Service Objectives	Outline Service Targets	2017/2018		2018/2019			2019/2020			2020/2021	2021/2022
		Target	Actual	Target		Actual	Target		Actual		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
Service Objective											
Number of ICT Programmes Implemented	4 ICT programmes implemented by 30 June 2020	2	2	2	4	2	4	4	2	1	1

Table 69: Employees ICT Services

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	6	6	6	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	8	8	8	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.27.4*

Audited Annual Performance Reporting

The audited annual performance has been prepared per KPA for both levels of the SDBIP and is herein reflected below:

PERFORMANCE REPORT – TOP LAYER				
KPA	**TOTAL INDICATORS**	**ACHIEVED**	**NOT ACHIEVED**	**PERC PER KPA**
1 – MTOD	8	7	1	88%
2 – SDI	29	6	23	21%
3 – LED	8	5	3	63%
4 – FMV	11	10	1	91%
5 – GGPP	4	4		100%
TOTAL	**63**	**32**	**28**	**53%**

The SDI KPA in the Top Layer SDBIP was hit hard with 23 indicators reported as not achieved for reasons as reflected in below:

- A number of projects could not be completed as planned owing to panel of consultants that were terminated which affected implementation and monitoring of projects. The termination emanated from the implementation of the municipality's action plan to curb the root cause of the irregular expenditure identify by the auditor general. In the process of managing the root cause the delivery of services was delayed and completion of projects negatively affected.
- There were some service providers whose services were terminated by the municipality owing to poor performance. The processes of termination is done in line with the requirements of contract management, which include amongst others notices to terminate; as well as starting with the procurement of other service providers to complete the affected project. This as well has caused other unforeseen delays in the completion of projects and ultimately the performance of the municipality
- Other projects were affected by the constitutional court outcomes that were putting a moratorium on the preferential procurement which affected the procurement of service providers for implementation of the projects
- Some projects were as well affected by the cashflow problems that were faced by service providers which remedial actions were discussed and agreed upon with the PMU and Project PSC's
- In some cases, the projects could not be completed as they were negatively affected by community unrests emanating from different service delivery expectations and demands from their respective municipalities and sector departments (electrification backlogs, roads infrastructure)

PERFORMANCE REPORT – OPERATIONAL SDBIP				
KPA	**TOTAL INDICATORS**	**ACHIEVED**	**NOT ACHIEVED**	**PERC PER KPA**
1 – MTOD	20	16	4	80%
2 – SDI	17	12	5	71%
3 – LED	5	4	1	80%
4 – FMV	9	8	1	89%
5 – GGPP	52	46	6	88%
TOTAL	**103**	**86**	**17**	**83%**

An audited annual performance report taking into consideration the performance information submitted by directorate and some observations by both AG and internal audit during quarterly performance reporting has been prepared and is attached to this report as **annexure A** for ease of reference. Listings as required by AG are being packaged and properly referenced, errors are raised with Directorates for directorates to make the necessary amendments.

The table below depicts the actual performance of the institution in both layers of the SDBIP, starting with the Top Layer followed by the Operational Performance. Each layer of the actual report is preceded by indicator descriptions table. In the report, there is comparison of performance with the previous financial year and actual performance for the year under review. In areas where performance has not been met, reasons why performance was not met along with the corrective action have been highlighted

The actual performance on both layers of the SDBIP is preceded by a table on the indicator descriptions

3. INDICATOR DESCRIPTIONS – TOP LAYER SDBIP

Indicator Code	KPI	Indicator Descriptions
KPA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT		
MTOD - 1	**Number of Integrated Human Resource Management programmes implemented**	**Integrated Human Resource Management programmes – seeks to improve organization performance and developing a culture that foster innovation to help the organisation to achieve its performance. These programme will be implemented through the following programmes 1. Skills Development 2. Labour Relations 3. Human resources Management.**
MTOD - 1.3	**Number of Human Resource Management programme implemented**	**These Human Resources Management Programme entails the implementation of four activities namely, 1. Review of the Staff Establishment 2. Filling of Vacant funded positions filled and implementation of Employment Equity 3. CHDM Job Descriptions writing 4. Submission of Provisional Outcomes Report to Provincial Audit Committee**
MTOD-1.3.1	Number of Reviewed Staff Establishment approved by Council	An awareness and consultation process are undertaken with all directorates in the CHDM for inputs that will be included on the existing staff establishment (Organisational Structure). The staff establishment will then be presented to LLF before it is tabled to Council for approval. The process for the approval of the Staff Establishment will be as follows; 1. Conduct awareness with directorates 2. Consultations with Directorates for inputs 3. HOD's inputs on the draft structure 4. Consultations with Labour in the LLF 5.Submission to Council for approval 2. Method of calculation = Sum =1 structure will be reviewed with different activities carried out in each quarter up to approval. 3. Source documents = Draft Structure, Reports, Attendance register, Approved Structure and Council Resolution.
MTOD-1.3.2	Number of vacant funded positions filled, and employment Equity plan Implemented	Vacant funded positions are vacancies that emanates from approved organisational structure that will be funded. Employment Equity promotes equitable representation of designated groups during recruitment process/stage. 1. Recruitment Plan shall be the implementing tool for filling of approved vacant positions. 2. How will employment Equity plan be implemented and what source of documents will be required. The process for the approval of the implementation employment Equity plan will be as follows; 1. The equity plan is approved by Council after consultation with key stakeholders inclusive of the forums. 2. Method of calculation = Sum =1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = Council approved IDP

Indicator Code	KPI	Indicator Descriptions
MTOD-2	**Number of Integrated Health, Wellness and Occupational Health and Safety Programmes implemented**	**Integration of Health, Wellness and Safety Programmes that educates about wellness, health and safety of employees, councillors, traditional leaders, managers and their families informed and guided by OHS and wellness strategy. Implementation will be done through educational programmes individually and in groups.**
MTOD 2.1	Number of Wellness Mainstreaming programmes implemented	Wellness Mainstreaming is aimed at transforming the organisational culture and creating a conducive work environment inclusive of women, youth and people with disabilities and other vulnerable groups based on the outcomes of the employee satisfaction survey .The programme will be implemented by identifying groups / individuals/ departmentally through educational sessions. The output will be quarterly reports and attendance registers. The method of calculation is 1X4=4
MTOD - 4	% Of works done in the construction of Chris Hani Village phase 1	Construction of CHDM Village phase 1 will be implemented through Construction Works Programme which will determine the percentage of work completed. as per the expenditure in the project. This expenditure will determine the percentage of work done in various stages and certified for completion. Construction Works Programme will include the following activities 1. Site establishment of main site for phase 1. 2. Commencement of works. 3. Continuous technical meetings 4. Continues Progress meetings. Method of calculation = Work done as per bill of quantities/ expenditure to date. Output = Progress Reports
MTOD - 7	**Number of ICT Programmes Implemented**	**To identify, provide, support and maintain, business systems and solutions and IT Infrastructure and to provide sound governance on management of ICT. The process for the Implementation of the ICT Programmes will be as follows;** **1. Establishment of ICT e-government cloud infrastructure** **2.Implementation of information security management** **3. Establishment of Disaster Recovery Site.**
MTOD - 7.1	Number of E-government project implemented	E-Government is the use of ICT to improve the activities of the municipality it also includes G2G (Government to Government) , G2B (Government to Business) and G2C (Government to Citizens). The process will entail implementation of SharePoint portal (implementing G2G) for Content management, Business intelligence and Workflows. The share point process will be implemented as follows (d) Upload departmental content 2.Training will be provided to a department in phases once content uploading of such department has been concluded. 2. Method of calculation = Sum =1 programme will be implemented with different activities each quarter

Indicator Code	KPI	Indicator Descriptions
MTOD - 8	**Number of Administration Support and Legal Services Programmes implemented**	**The Legal Services and Administration Unit has two components, which are the Legal Services and Administration. Firstly, Legal Services proactively manages the litigation risk of the Municipality by implementing the Litigation Management Strategy. The strategy aims to create awareness on issues that might pose a risk of litigation to the Municipality such as PAIA requests, decision-making (PAJA), legislative/ policy development (and drafting) and drafting of contracts, and also provides for ways of responding to litigation and PAIA matters as ana when they arise. Secondly, the Administration component provides support not only to management but also to political offices. While the records management section is a custodian of Municipal archives and records, the Council Support Unit provides secretariat support to Council structures such as Council, Mayoral Committee and standing committees. Awareness's campaigns with various directorates on file plans, records disposal and other records management controls are provided on a quarterly basis, while secretarial support is also given to Council structures by means of preparation of agendas, minutes, attendance registers and resolutions.**
MTOD - 8.3	**Number of Legal Services Projects implemented**	**Legal Services Programmes will be conducted through the implementation of Litigation Management Strategy, which seeks to manage litigation risks of the Municipality. The Litigation Management Strategy has 4 (four) pillars:** **a) Proactive Legal Support Services;** **b) Stakeholder Consultation;** **c) Litigation Risk Mitigation: and** **d) Capacity Building.** **Inbuilt to the above pillars are the projects that are geared to ensure that the Municipality does not only respond to litigation when it is encountered, but also proactively deal with matters that might give rise to litigation. Litigation Management Projects entails the implementation of three activities namely;** **a) Litigation awareness activities;** **b) Response to all requests for access to information received; and** **c) Response to all New Litigation Cases received by the Municipality (by way of either defending/ opposing or settling out of Court).**

Indicator Code	KPI	Indicator Descriptions
MTOD - 8.3.1	%Response to requests for access to information received by the Municipality	The Chris Hani District Municipality regularly receives requests for access to information in terms of the Promotion of Access to Information Act (PAIA). The process is as follows: a) Any person/ entity who is either affected by an admistrative decision or has interest in the business of the Municipality has a right to request information from the Municipality; b) All Requests for access to information have to be addressed to the Office of the Municipal Manager, in terms of the legislation, must be made with a prescribed Form A; c) Upon receipt of the request, the Office of the Municipal Manager considers the request, and thereafter instruct the Legal Services Unit to advise the Municipal Manager and co-ordinate the process of responding to the request for access to information; d) The legislation (PAIA) requires that the Municipality through the Information Officer (Municipal Manager) to respond to each and every request for access to information received within a period of 30 (thirty) days; e) If the request is not contained in the prescribed Form A, as required by legislation, the Information Officer must refer the request to Legal Services Unit for recording on the PAIA Requests Register for the purposes of tracking the progress of the request. However, the request shall only be processed as soon as it has been received on the prescribed Form A, Therefore the Information Officer is required to inform the requester in writing that they are required in terms of law to submit a request for access to information in the prescribed form; f) Upon receipt of the Form "A" compliant (signed, dated and specifying the information requested) request the Information Officer is duty bound to respond within 30 (thirty) days communicating to the requester as to whether the request is allowed or rejected. The request is referred to Legal Services for co-ordination where it is recorded in the PAIA Register reflecting date of receipt of the request, the name of the requester, the reference number, the brief summary of information requested and the status of response to the request; g) The Legal Services Unit co-ordinates the request for access to information by considering the request, liaise with the relevant directorate within the Municipality in relation to the subject matter of the request; h) Upon receipt of information from relevant Directorate, the Legal Services Unit advise the Information Officer on whether to accept or refuse access to information, and thereafter prepare a written response on behalf of the Municipality so that the Information Officer responds within 30 (thirty) days of the day of receipt of compliant request with either a refusal or acceptance of the request to access information (also partial refusal, where certain information may not be released) I) Furthermore, if the information is not readily available, the Information Officer can in writing to the requester extend the period within which to respond by a further 30 (thirty) days) . **2. Method of calculation** = Response attended to / request received 3. **Output** = Form A, Response and Access for information Register

Indicator Code	KPI	Indicator Descriptions
MTOD - 8.3.2	% Response to all New Litigation Cases against the Municipality)	The Office of the Municipal Manager, by way of summons or notice of motion /application, receive a new litigation matter. In order to manage the risk of financial loss occasioned by not only legal costs, but also the attachment of municipal property, it is important that the Municipality respond in writing (either by way of correspondence or Notice of Intention to Defend or Oppose) within 20 (twenty) days of receipt to all new cases. The process is as follows: a) Any person/ entity who is either affected by an admistrative decision or feels aggrieved by the Municipality either brings a legal action by way of summons or application; b) All legal notices and documents are sufficiently and effectively served to the Municipality when delivered to the Office of the Municipal Manager; c) Upon receipt of the legal notice, the Office of the Municipal Manager considers same, and thereafter instruct the Legal Services Unit to advise the Municipal Manager and co-ordinate the process of responding to such notice; d) The legislation requires that the Municipality through the Municipal Manager to respond to each and every Notice received within a period of 20 (twenty) days; e) Upon receipt of a summons/ applications, the Municipal Manager refers same to the Legal Services Unit for recording in the litigation register reflecting date of receipt, the name of the aggrieved party, the case number, Court handling the matter, the brief summary of the legal action brought against the Municipality and the amount involved (if any) in the legal matter; f) The Legal Services Unit, liaise with the relevant directorate(s) within the Municipality in relation to the subject matter of the case in view to advise the Municipal Manager; g) Upon receipt of information from relevant Directorate(s), the Legal Services Unit advise the Municipal Manager on whether to defend/ oppose or settle the matter out of Court, and thereafter either prepare a written response on behalf of the Municipality so that the Municipal Manager responds within 20 (twenty) days of the day of receipt of Notice or refer matter to external attorneys. h) As soon as the matter has been handed over to the external attorneys they are expected to advise the Municipality either to defend/ oppose or settle the matter out of Court depending on the merits of the case, and thereafter either file a Notice of intention to defend or oppose or write a settlement letter to attorneys of the aggrieved party; k) At the end of each quarter, the external attorneys are expected to submit legal confirmations of matters they handle on behalf the Municipality . 2. Method of calculation = Litigation matters received // responded to 3. Output = Summons/ Application, Notice of Intention to Defend/ Oppose, Litigation Register, Legal Confirmations from external attorneys

Indicator Code	KPI	Indicator Descriptions
MTOD - 8.3.3	Number of Litigation Awareness conducted	A trend analysis of the litigation within the Municipality reveals that tender reviews, contract management and delicta damages cases flowing from water provisioning and also municipal vehicle accidents continue to be the main litigation drivers. in addition, the risk of non-compliance with the provisions of the Promotion of Access to Information Act (PAIA) and the Promotion of Administrative Justice Act (PAJA) needs to be averted, and thus there is a need to mainstream the principles enshrined on these pieces of legislation so that they are part of the administration's decision making. Awareness campaigns are designed to capacitate Municipality's functionaries' pro-active litigation management topics such decision making that complies with Promotion of Administrative Justice Act (PAJA), transparency as it relates to right of protection of personal information and access to information, legislative drafting and principles of drafting of contracts. Workshops are organised on a quarterly basis with Management of the Municipality to deal with the abovementioned topics. Participants are invited to the workshops, and upon attendance are expected to sign attendance registers. There are three workshops planned for the financial year starting from the second quarter onwards, and these are geared to create awareness to management that if they do not comply with legal prescripts the Municipality shall be exposed to the risk of litigation.
KPA 2 - SERVICE DELIVERY INFRASTRUCTURE		
Indicator Code	**KPI**	**Indicator Descriptions**
SDI - 1 SDI 1.1. SDI 1.2 SDI 1.3 SDI 1.4 SDI 1.5 SDI 1.6 SDI 1.7	**Number of households served with Quality basic water supply**	**This indicator deals with the building of water standpipes that will be constructed at RDP standards (200-meter radius) which will supply water to beneficiaries/communities. This 200m radius is the coverage within which benefices will collect water from. The radius is determined during the design stage and is reflected on the layout map. The Quality of water will be indicated in the design report. The Census figures or counting of Households will then determine the number of the beneficiaries to be served. After completion of the project a consent form is filled in by the beneficiaries receiving water. The process for the serving households with Quality basic water supply will be as follows;** **1. Development of a business plan to request funding** **2. Development of design reports to service the arear which will be informed by census report/baseline survey and the report will include the location co-ordinates.** **3. Place an tender to appointment a contractor** **4. Commencement of the construction** **5. Completion and hand over of the project to Water Service Authority Unit to operate and maintain the project.** **6. After the project is practically completed the beneficiaries will sign and confirm the provision of service.** **2. Method of calculation = Sum (the number of households served per quarter X 4 = Total of households served with quality basic**

Indicator Code	KPI	Indicator Descriptions
		water for the year. **3. Source documents = Business plan, Design reports. Practical Completion Certificate, Confirmation from beneficiaries**
SDI - 2	**Number of Water reticulation projects completed**	**This indicator deals with the construction of water projects which has reticulation networks (water pipelines, stand taps, reservoirs, pumpstations). These networks will supply water to a village in line with RDP standards (200meter radius).** **The process for the construction of water reticulation projects will be as follows;** **1. Place an advert to appointment a contractor** **2. Commencement of the construction** **3. Completion and hand over of the project to Water Service Authority Unit to operate and maintain the project.** **2. Method of calculation = Sum (the number of water reticulation per quarter X 4 = Total of water reticulation projects completed for the year.** **3. Source documents = Site/Technical Meetings attendance registers, Practical and Completion Certificate**
SDI 2.1		The following network projects will be constructed; 1. Gqebenya water supply (ward 6, Emalahleni, 750h/h) water pipelines, stand taps. 2. Mtshabe water supply (ward 10, Intsika Yethu, 36 h/h) water pipelines and stand taps 3. Gasini A Water supply (ward 10 Intsika Yethu 111h/h) water pipelines and stand taps 4.Lokshini village water supply phase 2 (ward 13, Engcobo, 306h/h) water pipelines, stand taps, reservoirs,
SDI 2.2		The following network projects will be constructed; 1. Ncora Flats Kwa Mazola Matafeni water supply (ward 17, Intsika Yethu 931 h/h) water pipelines, stand taps, reservoirs, 2. Lixeni /ncityana/ kumbeke village water supply (ward 20 Engcobo, 64 h/h) water pipelines, stand taps, reservoirs, 3. Lalini Nkwenkwezi water supply (ward 12 Engcobo, 387 h/h) water pipelines, stand taps, reservoirs 4. Clarkebury water supply (ward 16, Engcobo, 220 hh) pumps, package plant, water pipelines, tanks, stand taps
SDI 2.3		The following network projects will be constructed; 1. Gubenxa village internal water supply (ward 20, Engcobo, 454 h/h water pipelines, stand taps, reservoirs, 2.Kumbeke village water supply (ward 20, Engcobo, 73 h/h) water pipelines, stand taps, reservoirs, 3. Lokshini phase 3 water supply (Ward 13, Engcobo 220 h/h)water pipelines, stand taps, reservoirs, 4.Water supply sudwana water supply (ward 13, Engcobo, 142 hh) water pipelines, stand taps, reservoirs,
SDI 2.4		1. Luthuthu water supply, (Ward 2, Emalahleni 170 h/h; water generator room water pipelines, stand taps, repair existing reservoirs,
SDI 2.5		1. Water backlog scheme 3 phase 1C (Ward 17, Emalahleni, 735 h/h); water pipelines, stand taps, reservoir booster pumpstations

Indicator Code	KPI	Indicator Descriptions
SDI 2.6		1.Water backlog scheme 3: Phase 1D (Ward 20, Emalahleni 553 h/h) water pipelines, stand taps, reservoirs
SDI 2.7		Water backlog Gubenxe, magongoeshoek, polar park water supply (ward 1, 2 Sakhisizwe; 1390 h/h) water pipelines, stand taps, reservoirs, filtration plant
SDI - 3	**Number of Bulk water supply projects completed**	**The indicator deals with the construction of Bulk water supply line projects that will ultimately feed to a reticulation network. The process for the construction of bulk water projects will be as follows** **1. Place an tender to appointment a contractor** **2. Commencement of the construction** **3. Completion and hand over of the project to Water Service Authority Unit to operate and maintain the project.** **2. Method of calculation = Sum (the number of bulk water projects per quarter X 4 = Total of bulk projects completed for the year.** **3. Source documents = Site/Technical Meetings attendance registers, Practical and Completion Certificate**
SDI 3.1		
SDI 3.2		
SDI - 5	Number of Water Treatment works Completed	Construction of Water purification plant (Treatment Works) that purifies raw water that will ultimately serve community The process for the construction of water treatment works projects will be as follows 1. Place an tender to appointment a contractor 2. Commencement of the construction 3. Completion and hand over of the project to Water Service Authority Unit to operate and maintain the project. 2. Method of calculation = Sum (the number of water treatment projects per quarter X 4 = Total of water treatment works projects completed for the year. 3. Source documents = Site/Technical Meetings attendance registers, Practical and Completion Certificate
SDI - 6	**Number of households served with safe basic sanitation**	**Construction of VIP toilets that serves rural communities with basic sanitation** **The process for the serving households with basic sanitation will be as follows;** **1. Place an tender to appointment a contractor** **2. Commencement of the construction** **3.** **Completion** **4. Handover of the VIP toilet to household beneficiary who signs a happy letter** **2. Method of calculation = Sum (the number of household happy letters per quarter X 4 = Total of households served basic sanitation for the year.** **3. Source documents = Happy letters, sanitation registers**
SDI 6.1		
SDI 6.2		
SDI 6.3		
SDI 6.4		

Indicator Code	KPI	Indicator Descriptions
SDI - 7	Number of Wastewater Treatment works completed	Construction of Sewerage plant (Wastewater Treatment works) that treats raw sewerage coming from community sewer networks. The process for the construction of waste water treatment works projects will be as follows 1. Place an tender to appointment a contractor 2. Commencement of the construction 3. Completion and hand over of the project to Water Service Authority Unit to operate and maintain the project. 2. Method of calculation = Sum (the number of wastewater treatment projects per quarter X 4 = Total of waste water treatment works projects completed for the year. 3. Source documents = Practical Completion Certificate, Site/Technical Meetings, Attendance Registers
SDI - 9	% Reduction of Water losses	The input volume of water received at the treatment works will be calculated and read at the bulk meter. When the water received has been treated and put into distribution that water will be exposed to 2 losses. The Real losses and Apparent losses. Real losses are physical losses like leaks and Apparent losses are meter under-registration, theft and billing errors. This indicator seeks to establish these two types of losses and thereafter provide a report to that effect which will then be analysed and implemented to reduce the percentage of distribution losses. The target is now to reduce the losses by 10% per each year. The process for the reduction of Water losses will be as follows; a) Installation of bulk and domestic meters to monitor flows put into distribution against input volume b) Identify losses caused by errors in meters by reading meters or installing loggers, system leaks through monitoring night flows and unauthorised consumption. c) Currently the institution is at 68.2% of water loss and therefore the plan is to reduce that water loss by 10% 2. Method of calculation = 10% of 68.2%(Water loss from 2019/2020 report) formular = % reduced water loss/% of total water loss from 2019/2020 report 3. Source documents = Water loss from 2019/2020 report, Water loss Management report, Completion certificate
SDI - 13	**No of Human Settlements programmes implemented**	**Human Settlements programmes aims at ensuring that the inhabitants within its area of jurisdiction have access to adequate Human Settlements on a progressive basis by setting Human Settlements delivery goals, identifying suitable land for Human Settlements development and planning, facilitating, initiating and co-ordinating Human Settlements development within the municipal jurisdiction. The programme will be implemented in two process, the construction of Emergency and Human settlements houses.**

Indicator Code	KPI	Indicator Descriptions
SDI - 13.1	Number of Emergency houses constructed in all 6 local municipality	CHDM is the Developer for Eastern Cape Department of Human Settlements for the Emergency housing programme. The funder of the programme is the ECDHS, and the method of funding is value created on site (work done before department release payment). CHDM and ECDHS enters into Service Level Agreement for the implementation of the programme. The programme seeks to assist the disaster affected beneficiaries provided with temporal shelters by replacement of temporary shelters with permanent structures. The programme will be implemented through the construction of emergency houses for six local municipalities. The construction will include construction of slabs; wall plates; roof structures and finishes. Method of calculation = Construction of 1 house in various stages in six LMs. Output = constructed emergency houses.
SDI - 13.2	Number of destitute houses constructed in all 6 local municipality	The Chris Hani District Municipality took an initiative to build 6 houses throughout the district in each financial year targeting the worst-case scenario of child headed home; victims of violence; old age people above 70 years; HIV and Aids victims and other destitute people. The process to be followed for implementation is as follows: 1. CHDM request LMs to identify destitute beneficiaries as per the above category. 2. CHDM conduct verification assessment per each beneficiary 3. Facilitate the appointment of contractors. 4. Start the construction of destitute beneficiary houses in various stages, construction will include construction of slabs; wall plates; roof structures and finishes. Method of calculation = Construction of 1 house in various stages in six LMs. Output = constructed destitute beneficiary houses.
SDI - 13.3	Number of initiation phase upgrading informal settlement programs implemented	Upgrading of informal settlement programme (UISP). Chris Hani District Municipality has been appointed as an implementing agent by the ECDHS for 4 local municipalities (Ngcobo - 5 settlements, IYLM - 1 settlement, Enoch Mgijima - 9 settlements, Instika Yethu - 4 settlements). The upgrading of informal settlements programme typically focusses on service improvements in water supply, storm drainage, sewers, ablutionary facilities, streets and footpaths, public facilities, housing finance and less often on housing itself. The initiation phase for 2021/2022 will focus on 1. settlement profiling for the developments 2. Design of interim / emergency services per settlement 3. Project packaging per settlement. Process to follow: 1. Consultation with 4 affected LMs conducted (Engcobo, Intsika Yethu, Enoch Mgijima, Inxuba Yethemba) 2. Appointment of professional teams for implementation 3. Planning, design and costing of interim emergency service per settlement 4. Environmental impact assessment conducted 5. Attend to rezoning processes 6. Where required (land legal matters) 7. Produce project implementation plan with budget for each settlement. Source documents - GIS Reports,

Indicator Code	KPI	Indicator Descriptions
SDI - 14	% Wastewater quality compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended for compliance	To monitor Waste Water Quality within CHDM through sampling of final effluent water from 12 conventional wastewater treatment works. Furthermore , a sample point is a Waste Water treatment works. The sampling is done to monitor that wastewater effluent disposed to receiving rivers / streams are at acceptable levels of parameters as set in the regulation. For MHS to be able to take water samples the following must be in place: a) availability of water from the source and sample points database. b) Toolkits (needed) such as cooler box, icepacks, labelling stickers, chemical reagents, bottle for taking the actual sample(water,) field test meter equipment and laboratory equipment . c) take sample to the laboratory for analysis and read results. After the above has taken place, reports are generated and compliance and non-compliance notices are issued to Water Services. The results report is also reported to the Integrated Regulatory Information System(IRIS) which is owned by the Department of Water & Sanitation and the Standing Committee of Health & Community Services. The compliance percentage is calculated by dividing the complying samples with the total number of samples taken, multiply by 100. e.g. actual compliance number divide by total number of samples taken * 100 = % compliance. The source document is the water samples report taken for the quarter and database
SDI - 15	% Of Drinking Water Compliance to SANS 241	To monitor Drinking Water Quality within CHDM through sampling at water treatments works, distribution network and point of use. Furthermore , a sample point is source of drinking water were a sample will be taken from e.g. Tap,/Treatment plants/reservoir). The sampling of water is done to monitor that water consumed by CHDM residents is safe for human consumption. For MHS to be able to take water samples the following must be in place: a) availability of water from the source, distribution network and at the tap and sample points database. b) Toolkits (needed) such as cooler box, icepacks, labelling stickers, chemical reagents , bottle for taking the actual sample(water,) field test meter equipment and laboratory equipment . c) take sample to the laboratory for analysis and read results. After the above has taken place, reports are generated and compliance and non-compliance notices are issued to CHDM Water Services. The results report is also reported to the Integrated Regulatory Information System(IRIS) which is owned by the Department of Water & Sanitation and the Standing Committee of Health & Community Services. The compliance percentage is calculated by dividing the complying samples with the total number of samples taken, multiply by 100 to give you % compliance . The source document is the water samples report taken for the quarter and database
SDI-17	**Number of Disaster Risk Management and District Fire Services Programmes implemented as per DMP & DFSP**	**Disaster Risk Management is an to integrated multisectoral and multidisciplinary administrative, organisational and operational planning processes and capacities aimed at lessening the impacts of natural hazards and related environmental technological, technological and biological disasters.** **It seeks to promote having in place coordinated efforts and measures from various stakeholders aimed at reducing disaster risks within Chris Hani District Municipality** **District Fire Services Programme is at aimed capacitating and**

Indicator Code	KPI	Indicator Descriptions
		developing the District fire Services and to make the public aware of fire danger and how to combat these dangers.
SDI-17.1	**Number of Disaster Risk Management Programmes implemented as per DMP**	**Disaster Risk Management encourages having coordinated efforts from various stakeholders aimed at reducing disaster risks within Chris Hani District Municipality.** **Disaster Management Plan is a plan that specify clear institutional arrangements for coordination, aligning with other government initiatives and plans. The plan also show evidence of informed risk assessment and ongoing risk monitoring capabilities. its role is to develop relevant measures that reduce the vulnerability prone areas, communities and households. This programme will be implemented through three activities namely;** **1. Disaster management incidents** **2. Disaster Stricken Households assisted** **3.Disaster Management Early Warning System**
SDI-17.1.1	% Response to disaster management incidents reported	Disaster management incidents- are all disaster related incidents reported from the local municipality to the district call centre. The process for responding to disaster incidents is as follows; 1. CHDM call centre receives calls communities members affected by the disaster incident and the centre will record the incident on the occurrence book. 2. Disaster official will then respond to the incident and generate an incident report. 3.Then the Disaster officials will record the incident on the occurrence book to Close up the incident. 4. Disaster Manager will then despatch officials to conduct a disaster damage assessment report. 2. Method of calculation = incident responded to /incident reported = 100% Response to disaster management incidents reported 3. Source documents = Occurrence book, Incident report and Disaster damage assessment report.
SDI-17.1.2	% of Disaster stricken Households assisted with relief and recovery material	Disaster stricken Household refer to all households assisted with relief material after they have been effected by a disaster incident. After a disaster incidents has been reported an Assessment report is complied to assess the impact and type of relief to be provided. The process for assisting Disaster stricken Households with relief and recovery material will be as follows; 1. Disaster officials will quantify the amount of relief material to be provided to the beneficiaries affected as per the Assessment report based on the beneficiary list. 2. The Disaster Management unit will send a request for quotation of relief material to SCM 3. The appointed service provider together with the Disaster officials will deliver the relief material to the beneficiaries. 2. Method of calculation = relief material provided as the assessment / beneficiary list = 100% of Disaster stricken Households assisted with

Indicator Code	KPI	Indicator Descriptions
		relief and recovery material 3. Source documents = Assessment report, Beneficiary list
SDI-17.1.3	Number of Disaster Management Early Warning Systems installed	A system that is designed for dissemination of early warnings to communities and all relevant stakeholders of Disaster Management faced with treating risk for effective response. The process for the installation of Disaster Management Early Warning Systems will be as follows; 1. The signing of Memorandum Of Agreement with South African Weather Services (SAWS) and Chris Hani District Municipality (CHDM) 2. Transfer of funds by CHDM to SAWS 3. Installation of Early Warning Systems 4. Weather Focast Reports 2. Method of calculation = Installation of 1 Early Warning System 3. Source documents = Memorandum Of Agreement, Proof of payments for transferred funds, Installation Close out report and Weather Focast Reports
KPA 3 - LOCAL ECONOMIC DEVELOPMENT		
Indicator Code	**KPI**	**Indicator Descriptions**
LED-1	Number of spatial planning programme implemented as per SPLUMA	Spatial planning is a process for Land Use transformation as guided by Spatial Planning and Land Use Management Act as adopted by National Cabinet. SPLUMA highlights various activities to be done for optimum land utilisation and transformation. Amongst activities that are key to direct land transformation and development includes (1. Facilitating SPLUMA Tribunal Quarterly Sitting which looks into development initiatives by approving or disapproving them. Key to approve all the SPLUMA programmes is functional SPLUMA Tribunal that process all Land Development applications. 2. Implementation of proper land use management programmes and projects as guided by SDF. Process to follow: 1. LM's submit applications for consideration by Tribunal 2. Coordinate the sitting of the Tribunal. 3. Resolutions communicated with the LM's. Source documents: SDF, SPLUMA and the by-laws, Land Use Management Schemes)
LED -3	**Number of Agriculture programmes implemented**	**Agriculture programmes that improve agricultural livelihood of our communities. (1.Poverty Alleviation Agricultural Programme, 2. livestock improvement and Infrastructure development Programme, 3. Dry land cropping programme (RAFI), 4.Irrigation schemes programme (including small irrigation schemes).**
LED -3.1	Number of Poverty Alleviation Agricultural Programme Implemented as per Concept document	Poverty Alleviation are Non-income generating projects providing support to small scale poultry and piggery projects in order to provide relief in poverty per request from local municipalities. Poverty Alleviation will be implemented in two Local municipalities through a concept document. The programme will be monitored on a quarterly basis . The process followed is as follows : 1. The request for support is received from the project beneficiaries 2. The requests are assessed by the responsible project officer 3. The Concept document is then developed in preparation for the support 4. The request for quotations is submitted to SCM 5. the project is supported through the RFQ process 6. Once the support is rendered, project monitoring on a monthly basis is done. The monthly and quarterly progress reports are provided.

Indicator Code	KPI	Indicator Descriptions
LED -3.2	Number of livestock improvement and infrastructure development programme implemented as per SLA with CHDA	Livestock Improvement: It's an animal health programme which includes Inoculation and Dosing of livestock in all local municipalities. The Livestock improvement programme will be implemented in 2 rural Local municipalities through the signing of an SLA with CHDA. The programme will be monitored on a quarterly basis . The process followed is as follows : 1. The SLA is entered into with the CHDA; 2. Funds are transferred to CHDA; 3. CHDA implements the programme on behalf of CHDM, in consultation with the responsible CHDM official; 4. CHDA and CHDM undertake project monitoring on a monthly basis; 5.The quarterly progress reports are provided by CHDA.
LED -3.3	Number of Dry land cropping programme (RAFI) implemented as per SLA with CDC	Rural Agri industries and Finance Initiative(RAFI). These programme is aimed at agro-processing from crop and livestock. The pilot programme will be through Cooperative Development Centre (CDC), the programme is conducted at conducted or implemented at Engcobo for production of white maize crops. The programme will be monitored on a quarterly basis. The process followed is as follows : 1. The SLA is entered into with the CDC; 2. Funds are transferred to CDC; 3. CDC implements the programme on behalf of CHDM, in consultation with the responsible CHDM official; 4. MOU is also in place between CDC, CHDA and CHDM specifically for RAFI rollout programme; 5. The parties undertake project monitoring on a monthly basis; 6.The quarterly progress reports are provided by CDC to CHDM.
LED -3.4	Number of irrigation schemes programme implemented as per SLA with CHDA	Irrigation Schemes is an arena where crops or plants are grown through irrigation systems. The Irrigation Schemes programme will implemented at Enoch Mgijima Local Municipalities through the signing of an SLA with CHDA. The programme will be monitored on a quarterly basis . The process followed is as follows : 1. The Annual SLA is entered into with the CHDA; 2. Funds are transferred to CHDA; 3. CHDA implements the programme on behalf of CHDM, in consultation with the responsible CHDM official; 4. CHDA and CHDM undertake project monitoring on a monthly basis; 5.The quarterly progress reports are provided by CHDA.
LED-4	Number of SMME programmes Implemented	SMME programmes entail both financial and non-financial support (financial support for both Enterprise and Industrial development projects, and non-financial support in the form of capacity building and mentorship for enterprises) to enterprises throughout the district. The funds available are not enough for enterprise and industrial support. The following process will be undertaken : 1. An SLA will be entered into with Chris Hani Development Agency for Partnership for funding of SMME programmes; 2. The beneficiaries will be identified and relevant inputs provided; 3. Quarterly progress reports on the handing over of inputs (where applicable) and continuously monitoring of performance of beneficiaries.
LED-5	% of budget spent on local businesses as per Preferential Procurement regulation monitored	Monitoring the implementation of PPPFA regulation. The monitory process will be done on quarterly base informed by reports from finance departments. The process is as follows : 1. CHDM SCM compiles the report on 30% budget spent; 2. The report is submitted by SCM to IPED for analyse; 3. Once analysed, IPED submits the report to the Council.

Indicator Code	KPI	Indicator Descriptions
LED - 8	**Number of work opportunities created through EPWP**	Expanded Public Works Programme is created for the purposes of creating Jobs and addressing Unemployment and fighting Poverty. These are done amongst others by service delivery departments i.e. IPED, Engineering, Health and Community Service, Corporate Services departments within CHDM and are implemented on various projects that were undertaken. Stipend is paid to beneficiaries that are identified by various project beneficiaries and as well by relevant Councillors with the district. Stipend is paid on a Monthly basis to beneficiaries as per the signed contract between the CHDM and those beneficiaries for the agreed period. 2. Method of calculation = Sum =1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter
KPA 4 - FINANCIAL VIABILITY AND MANAGEMENT		
Indicator Code	**KPI**	**Indicator Descriptions**
FMV-2	Number of Revenue Enhancement programmes implemented	The programme is implemented to ensure that revenue is improved. The programmes to be implemented are the following; 1. Data collection in 6 Municipalities. 2. Develop and Implement debt collection plan. 3. Develop a new indigent register for 2021 / 2022
FMV-2.1	Number of Data cleansing activities completed in 6 Local Municipalities.	**Data cleansing process:** The process of data collection has been revised and will mainly involve the collection of information from Local Municipalities which will be used to update the billing data base**.** This will entail the **collection** of property, ownership and meter information as well as correcting the accounts in the billing data base. The information collected will be matched with the municipality's billing system to check for differences. 1. The problem was identified through customer queries as well as findings by the Auditor General. 2. The method of collecting the data will be in the form of collecting the following information from Local Municipalities; (I) General Valuation Rolls, (ii) Billing reports, and (iii) The databases of electricity vending systems and/or the updated / recent cadastral from the office of the Surveyor General will also be request from the Technical Services Department. **Correction of the billing database** - will entail the following; - Forwarding the information collected to the Systems unit / BCX to match against the billing database and generate difference which. - Further analysing the differences and checking them against the DEEDS registry. - Systems unit / BCX to systematically update confirmed results to update / correct billing system
FMV-2.2	Number of Debt collection and Credit control plans implemented	**Debt collection and credit control entails the following**; 1. **Select** accounts identified for collection for a particular period / month and from age analysis report (a report that details the period for which the debt has been outstanding), 2. **Confirm** that billing is up to date. 3. **Send** reminders to consumers with overdue balances in terms of the policy.

Indicator Code	KPI	Indicator Descriptions
		4. The debt collection plan will entail identifying key accounts for Government, Municipalities, Business, Municipal employees, Councillor and household and allocate them to the Credit Control Officer to contact and send reminders.
FMV-2.3	Number of Updated Indigent register submitted to Council for approval	The indigent register is reviewed and or updated annually to confirm whether the indigent beneficiaries are still indigent. The purpose of the indigent register is to list customers / households that cannot afford to pay for municipal services so that they can receive subsidy on the accounts. The review involves submitting the register to third parties to confirm whether the status is still the same. **The indigent register update will entail;** 1. Inviting members of the community to visit CHDM satellite and LM indigent offices to complete applications for indigent support. 2. Applications to be received by indigent clerks at the offices and verified for required supporting documents. 3. Application forms to be captured onto draft registers by indigent Clerks at the various offices. 4. Application forms to be forwarded to CHDM and LM Revenue office weekly for combining and reporting. 5. Final register to be submitted to Indigent Steering Committee for review and Council for approval.
FMV - 3	**Number of SCM Compliance programmes implemented**	**The policy will provide and ensure a second and accountable system of supply chain management with the district**
FMV - 3.1	Number of Procurement plan developed and implemented.	Procurement plan is required as per MFMA Circular 62 to assist municipalities with proper planning that will lead to minimization of irregular expenditure and deviations if complied with. Once the plan is developed all departments are expected to comply with the plan. The process to be followed: 1.To circulate procurement plan template by the 2nd week of March every year for inputs and give departments at least two weeks to respond. 2. Consolidate all the inputs after closing date. 3. Send the draft consolidated procurement plan to all departments to add if some departments did not submit in the initial submission and for review to those who initially submitted and this is done on the second week of April and give another week for final inputs. 4. On the third week of April all inputs are considered final. 5. The SCM unit reviews the document and attach bid committee dates on it and this usually takes two weeks. 6. On the second week of May the draft plan is submitted to CFO for reviewal and to be submitted to Council approval during budget period.7. After adoption by the council, the MM will approve it. 8. After approval by MM, it is then sent to all departments.9.The source document will be the correspondence sent to departments, draft procurement plan, approved procurement plan with the council resolution.
FMV - 3.2	Number of Deviations registers compiled and submitted.	Deviations are made up of the following: 1. Emergency 2.Single or sole provider 3. Acquisition of special works of art or historical objects where specifications are difficult to compile 4. Where it is impractical or impossible to follow the official procurement processes as per Par 36

Indicator Code	KPI	Indicator Descriptions
		and SCM regulation 36. The deviation register is submitted quarterly to council committees.
FMV - 3.3	Number of Irregular expenditure reports compiled and submitted.	Irregular expenditure comprises of expenditure, other than unauthorised expenditure incurred in contravention of or that is not in accordance with a requirement of any applicable legislation. The report is submitted on quarterly basis to council committees. 1. Identify the irregular expenditure.2. On the first week of every month, the Contract office check on the system the payments made to the service providers. 3. The unit identifies all payments made to service providers irregularly. 4. The register is then updated. 5. On quarterly basis the expenditure is reported to the relevant structures of the municipality. 6. The source documents will be the irregular register and quarterly reports
FMV - 3.4	Number of Contract management register and Commitments register reconciled	Contract management consists of the process that enables the Municipality, as a party to a contract, to protect its own interests and to ensure that it complies with its duties, as agreed upon in the contract. Contract management register is an obligation by the municipality to pay the appointed service provider on the work done. After paying then the reconciliations are performed. The process is as follows:. 1. Continues updating of Contract Management Register . 2. The source documents will be the contract management register.
FMV - 3.5	Number of bid committees reports compiled and submitted	The accounting officer shall establish a procurement committee system for competitive bids consisting of at least the following committees, a bid specification committee, bid evaluation committee and a bid adjudication committee. The functionality of bid committees sittings are as per council calendar. It is reported on quarterly basis to council committees. 1. The Municipal Manager reviews the committees each financial year.2. The municipal manager will give the names of the office 3.. Appointment letters are then developed by the contracts office for Municipal Manager to sign.4. Once the appointment letters are approved, they are delivered to all the appointees. 5. The source documents will be the meeting schedules as per council calendar, reports on the actual sittings of the meetings
FMV - 3.6	Number of SCM reports compiled and submitted.	The accounting officer must within 10 days of end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.1. The Officers submit their monthly reports to the manager/s. 2. The manager/s then consolidate all the monthly reports into quarterly reports with attachments. 3. The consolidated quarterly report is then forwarded to the CFO for approval and submission to relevant structures for reporting through email. 4. The source documents will be the Irregular expenditure, progress report on the implementation of procurement plan, contract management register. Procurement plan
FMV - 3.7	Number of Fruitless and Wasteful Expenditure reports compiled and submitted.	Fruitless and Wasteful Expenditure is expenditure that should have been avoided should all reasonable steps were taken. It is reported on quarterly basis to council committees. 3. On quarterly basis fruitless and wasteful expenditure is reported to the relevant structures. 4. The source documents will be the fruitless and wasteful register and quarterly reports

Indicator Code	KPI	Indicator Descriptions
FMV-6	Number of GRAP Compliant Annual Financial Statement compiled	The application of standards of GRAP, with the appropriate selection of accounting policy and additional disclosures, where necessary, will result in Financial Statements that achieve fair presentation e.g. GRAP17 is a standards that prescribe the accounting treatment for Property Plant and Equipment (PPE). The municipality must prepare AFS that fairly present the state of affairs of the municipality at the end of the financial year and these must be submitted to AG within two months after end of the financial year. Process entails the following: Prepare AFS Preparate plan and circulate to all stakeholders 1. analyse the general ledger and the trial balance 2. passing of journals for correcting errors in the system facilitated 3. mapping the trial balance to CaseWare software 4. review CaseWare vs trial balance 5. produce AFS. 6. Request information from the CHDA (CaseWare version and draft AFS) 7. analyse the CaseWare version vs the CHDS AFS. 8. Passing of intercompany journals 9. Producing consolidated AFS
KPA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
Indicator Code	**KPI**	**Indicator Descriptions**
GGPP - 1	**Number of Communication programmes implemented**	**The Unit will implement two programmes namely; External communication management and Internal communication management. The two programmes aim at facilitating exchange of developmental information with municipal stakeholders whilst encouraging active citizen participation.**
GGPP 1.1	Number of External Communication Management Programme implemented	1.Facilitation of External Communication entails support to awareness campaigns, stakeholder engagements, IDP Processes, Mayoral outreaches, project launches / showcasing, public participation programs, civic education as per Integrated Communication Strategy 2.This will result in sharing information with the public through various platforms. 2. Facilitation of Media Engagement activities entails radio talk shows, interviews and radio advertisements 2.Media releases to inform communities 3 District Media monitoring for improved municipal image and media relations and also facilitation of Website & social media activities entails uploading of mandatory information in compliance with the MFMA; events and notices, requests for quotes, vacancies for information sharing with the public. 3. Process to follow (external communication): 1) Receive notifications, concept documents, project profiles etc from various directorates. 2) Source content from various directorates 2) Attend awareness campaigns and stakeholder engagements 3) Compile a communication plan 4) design a newsletter 5) submit it for approval 6) distribute Process to follow (media engagement) 1) drawing media plan 2.source media platform 3. prepare talking points 4. daily media monitoring 5. receive and respond to media inquiries 6. hold media briefings

Indicator Code	KPI	Indicator Descriptions
GGPP - 3	% Complaints resolved as per Norms and Standards for the Municipal Compliant Management System monitored	Customer Care Management programmes are aimed at creating a reciprocal relationship between the municipality and the community. The process for resolving Complaints is outlined as per the service level agreement, Customer Care Policy and Service Charter and it will be implemented as follows; 1. Receive and register all customer complaints. 2. Refer complaints to relevant directorates for actioning 3. monitor the resolution of complaints. 4. Escalate complaints that have exceeded the customer care charter 5. Communicate the progress of the complaint with the complainant 5. Ascertain the level of satisfaction and/or dissatisfaction in resolving the complaints 6. Produce a consolidated customer complaints on a monthly basis. Method of calculation = Customer complaints resolved inline with the customer care charter/Customer complaints received x 100 3. Source documents = Service level agreement, Customer Care Policy and Service Charter, Received and registered customer complaints, Report on Refer and resolve complaints, Customer satisfaction and/or dissatisfaction report and Consolidated monthly customer complaints report
GGPP-11	**Number of Functional Inter Governmental Relations (DDM) and Functional International Relations Programmes implemented**	**1. The Intergovernmental Relations Strategy states that intergovernmental relations means relationships that arise between different government departments and entities with an objective to conduct their affairs in terms of improving service delivery. These engagements take place in the form of conducting quarterly forums for the purpose of reporting.** **2. South African local government participates extensively in international associations; and as a result a wide range of international cooperation arrangements between municipalities from South Africa and other countries have been established. The municipality has entered in to an agreement with District of Cordoba in Argentina and GIZ.**
GGPP-11.1	Number of Functional Inter Governmental Relations Programmes implemented	This programme is aimed at coordinating Inter Governmental Relations activities through out the district to ensure development of 1 district development plan. The process for the implementing a functional Inter Governmental Relations will be as follows; 1. Convene Technical IGR Forum (The CHDM IGR Strategy guides that quarterly, IGR Forums should sit. The Technical IGR supersedes the sitting of the Political DIMAFO. There is a flow of reporting between these forums, the DIMAFO being the higher structure; the IGR Forum stakeholders are the Sector Departments, Local Municipalities and government Entities and parastatals) 2. Method of calculation = Sum =1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = Action Minutes & Attendance Registers
GGPP11.2	Number of functional DDM Coordinated	This programme is aimed at coordinating DDM activities throughout the district to ensure development of one district development plan. The process for the coordination of the functional DDM will be as follows (1) convene DMM forum (the CHDM DDM guides that quarterly DDM forums should sit. there is a flow of reporting between these forum (the

Indicator Code	KPI	Indicator Descriptions
		IGR and the DIMAFO) being the highest structure; DDM forum stakeholders are the workstreams, sector departments, local municipalities and government entities and parastatals) 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the business plan/proposal each quarter. 3. Source documents = DDM Guide (Circular) and IGR Framework
GGPP-11.3	Number of Functional International Relations Programmes implemented	These programme is aimed at coordinating International Relations activities through out the district. The process for the implementing a functional International Relations will be as follows; 1. Coordinate integrated support offered by International Partners (The Unit investigates and explore the prospects of partnerships/relationships and their developmental impact on the municipality. In some cases, the institution receives invitations to participate in an exchange programme or a visit with intentions for twinning agreements with a particular country. A plan for municipal international relations to support the initiative is then developed. A quarterly report is submitted to relevant council structures to report on the implementation of the MOU/Agreement 2. Method of calculation = Sum =1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = quarterly report

PORT – TOP LAYER SDBIP

Audited Performance Report Top Layer Service Delivery and Budget Implementation Plan 2021/2022										
Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022			
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)
KPA 1: MUNICIPAL TRANSFORMATRION AND INSTITUTIONAL DEVELOPMENT							**Weight: 20%**			
BROAD STRATEGIC OBJECTIVE 1: To Establish and Maintain a Skilled Labour Force Guided by Policies to Function Optimally Towards the Delivery of Services to Communities										
Integrated Human Resources Management	To Attract, Retain and Build a productive workforce	**MTOD - 1**		**09 Integrated Human Resource Management Programmes implemented**	**04 Integrated Human Resource Management Programmes implemented by 30 June 2021**	**Refer to MTOD-1.1 to MTOD-1.4**	**~~04~~ 03 Integrated Human Resource Management Programmes implemented by 30 June 2022**	**Refer to MTOD 1.1 - 1.4 for actual achievement**	**Refer to MTOD 1.1 - 1.4 for actual achievement**	**Refer to MTOD 1.1 - 1.4 for actual achievement**	**Director: Corporate Services**
		MTOD - 1.3			**01 Human Resource Management programmes implemented by 30 June 2021**	**Refer to MTOD1.3.1 to MTOD-1.3.4**	**01 Human Resource Management programmes implemented by 30 June 2022**	**Refer to MTOD 1.3.1 to 1.3.4 for actual achievement**	**Refer to MTOD 1.3.1 to 1.3.4 for actual achievement**	**Refer to MTOD 1.3.1 to 1.3.4 for actual achievement**	**Director: Corporate Services**

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		MTOD-1.3.1			01 Reviewed Staff Establishment approved by Council by 30 June 2021	**Achieved.** 1 reviewed Staff Establishment approved by Council by 30 June 2021.	**01 Reviewed Staff Establishment approved by Council by 30 June 2022**	**Achieved. 01 Reviewed Staff Establishment approved by Council by 29 June 2022. Awareness with Directorates on the approved organisational structure facilitated & Consultation with Directorates was conducted. There were delays in the consultation with labour in the 3rd quarter, it was conducted in the 4th quarter and relevant council structures and council for approval**			Director: Corporate Services
		MTOD-1.3.2	OPEX		20 Vacant funded positions filled and employment equity plan implemented by 30 June 2021	Achieved. 41 vacant funded positions filled and EEP implemented by 30 June 2021.	**20 Vacant funded positions filled and employment equity plan implemented by 30 June 2022**	**Achieved : 37 (5 in Q1, 12 in Q2, 7 in Q3 and 13 in Q4) Vacant funded positions filled and employment equity plan implemented by 30 June 2022**	**Over achieved with 17 vacant positions filled due to service delivery imperatives**		Director: Corporate Services
Integrated Health, Wellness and Safety		**MTOD-2**		**03 Integrated Health, Wellness and Occupational Health and Safety programmes implemented**	**03 Integrated Health, Wellness Mainstreaming and Occupational Health and Safety programmes implemented by 30 June 2021**	**Refer to MTOD-2.1 to MTOD-2.1 for actual performance**	**03 Integrated Health, Wellness and Occupational Health and Safety programmes implemented by 30 June 2022**	**Refer to MTOD - 2.1 to 2.3 for actual achievement**	**Refer to MTOD - 2.1 to 2.3 for actual achievement**	**Refer to MTOD - 2.1 to 2.3 for actual achievement**	Director: Corporate Services

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		MTOD 2.1	35 495,00		01 Wellness Mainstreaming programme implemented by 30 June 2021	Achieved. 1 wellness mainstreaming programme (01 Change management activity, 01 Managing teamwork and team dynamics activity, 01 Change management activity and 01 Managing teamwork and team dynamics activity) implemented	**01 Wellness programme implemented by 30 June 2022**	**Achieved: 01 Wellness programme implemented (Change Management activity, Emotional Intelligence activity, Change management activity in Q3 and team activity plan in Q4) by 30 June 2022**			Director: Corporate Services
Asset Management	To ensure effective Management of Municipal assets.	MTOD - 4	15 000 000,00	5% of construction of Chris Hani Village phase 1 implemented	25% of works done in the construction of Chris Hani Village phase 1 by 30 June 2021	35.71% achieved. 1.Over achievement: Delays on the appointment of sub-contractor for pilling foundation has resulted to the prioritization of construction - Extension for disaster management centre. Currently the project is at standstill due to non-payment of claims for the contractor which has resulted to cashflow problems for the contractor to resume site.	**36% of works done in the construction of Chris Hani Village phase 1 by 30 June 2022**	**Not achieved**	**In the 1st 6 months of the financial year, the institution could not move with the implementation of the project owing to financial constraints. The Contractor could not resume on site due to institutional financial challenges. Q 3 and Q 4 have been reviewed due to budget constraints.**	**The target was reviewed in the last financial year owing to financial constraints for implementation in the next financial year. Project has received a budget allocation of R20 million for 2022-2023 FY**	Director: IPED
Info & Comm Technology		**MTOD - 7**	**800 000,00**	**ICT work study report in place**	**01 ICT programmes implemented by 30 June 2021**	**Refer to MTOD-7.1 to MTOD-7.4 for actual performance**	**01 ICT programmes implemented by 30 June 2022**				**Director: Corp Services**

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u st
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		MT OD - 7.1		ICT work study report in place	01 E-Government project implemented by 30 June 2021	Achieved. 01 of e-government project implemented	**01 E-Government project implemented by 30 June 2022**	**Achieved: 01 e-government project implemented (Analysis report has been developed and circulated to all directorates in the Q1, content management and user training conducted. Procurement of service providers for EDMS was facilitated**			Director: Corporate Services

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
Administration	To ensure effective administration support and legal services	**MTOD - 8**	**300 000,00**	01 Administration Support and 01 Legal Services Programmes implemented	01 Administration Support and 01 Legal Services Programmes implemented by 30 June 2021	Refer to MTOD-8.2.1 to MTOD-8.2.3 for actual performance	**01 Administration Support and 01 Legal Services Programmes implemented by 30 June 2021**	Refer to MTOD - 8.1 to MTOD - 8.3 for actual achievement	Refer to MTOD - 8.1 to MTOD - 8.3 for actual achievement	Refer to MTOD - 8.1 to MTOD - 8.3 for actual achievement	**Director: Corporate Services**

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		MTOD - 8.3	**300 000,00**		03 Legal Services Projects implemented (1.Litigation Awareness, 2.Response to requests for access to information received by the Municipality, 3.Response to all New Litigation Cases against the Municipality) by 30 June 2021	Refer to MTOD-8.2.1 to MTOD-8.2.3 for actual performance	**03 Legal Services Projects implemented (1.Litigation Awareness, 2.Response to requests for access to information received by the Municipality, 3.Response to all New Litigation Cases against the Municipality) by 30 June 2022**	**Refer to MTOD 8.3.1 - 8.3.3 for actual achievement**	**Refer to MTOD 8.3.1 - 8.3.3 for actual achievement**	**Refer to MTOD 8.3.1 - 8.3.3 for actual achievement**	**Director: Corporate Services**

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Custodian
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		MTOD - 8.3.1			100% Response to requests for access to information received by the Municipality by 30 June 2021	Achieved. 100% Response to requests for access to information received by the Municipality	**100% Response to requests for access to information coordinated by the Municipality by 30 June 2022**	**Achieved: 100% Response to requests for access to information coordinated by the Municipality**			Dir: Corporate Services
		MTOD - 8.3.2			Response to all New Litigation Cases against the Municipality) by 30 June 2021	Achieved. Response to all New Litigation Cases against the Municipality	**Response to all New Litigation Cases against the Municipality) by 30 June 2022**	**Achieved: Response to all New Litigation Cases against the Municipality)**			Dir: Corporate Services
		MTOD - 8.3.3	OPEX		3 Litigation Awareness conducted by 30 June 2021	Achieved. 3 Litigation Awareness conducted (PAJA Mainstreaming & PAIA Mainstreaming, Legislative & Policy Drafting and Drafting of Contracts)	**3 Litigation Awareness conducted by 30 June 2022**	**Achieved: 3 Litigation Awareness conducted (PAJA Mainstreaming & PAIA Mainstreaming, Legislative & Policy Development and Drafting of Contracts)**			Dir: Corporate Services
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT Weight: 20%							**Weight: 50%**				
BROAD STRATEGIC OBJECTIVE 2 :To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.											
Priority Area	**Measurable Objectives**	**Indicator Code**	**Programme Budget Allocation**	**Baseline**	**Performance Report 2020/2021**		**PERFORMANCE REPORT 2021/2022**				**Custodian**
					Annual Target	**Actual Performance**	**Revised SDBIP Annual Target 2021/2022**	**(1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)**	**Variances (Reason for Non, under/Over Achievement)**	**In case of non-achievement provide Remedial (Corrective Action)**	

PMU	**To ensure Universal coverage of Water and Sanitation by 2022**	**SDI - 1**		**14 830 households served with Quality basic water supply**	**3 054 households served with Quality basic water supply by 30 June 2021**	**Not Achieved.** 1127 households served with quality basic water supply. Shortfall of 1927 households was not achieved	**~~6542~~ 6365 households served with Quality basic water supply by 30 June 2022 (Gqebenya water supply (ward 6, Emalahleni, 750h/h); Ncora Flats Kwa Mazola Matafeni water supply (ward 17, Intsika Yethu 931 h/h), Gubenxa village internal water supply (ward 20, Engcobo, 454 h/h; Mtshabe water supply (ward 10, Intsika Yethu, 36 h/h); Lixeni /ncityana/ kumbeke village water supply (ward 20 Engcobo, 64 h/h); Kumbeke village water supply (ward 20, Engcobo, 73 138 h/h); Luthuthu water supply, (Ward 2, Emalahleni 170 247 h/h; water backlog scheme 3 phase 1C (Ward 17, Emalahleni, 735 h/h); Water backlog scheme 3: Phase 1D (Ward 20, Emalahleni 553 h/h) Water backlog**	**Not Achieved.** 247 households served with quality basic water as reflected in the following projects. 1) Mtshabe water supply (ward 10, Intsika Yethu, 62 h/h); 2) Gasini A Water supply (ward 10 Intsika Yethu 49 h/h); 3) Hewu RA 60 phase hh136) complete consent issued	**Refer to SDI 1.1 - 1.7 for actual achievement**	**Refer to SDI 1.1 - 1.7 for actual achievement**	**Director: Engineering and Technical Services**

						Gubenxe, magongoeshoek, polar park water supply (ward1, 2 Sakhisizwe; 1390 h/h); Gasini A Water supply (ward 10 Intsika Yethu ~~111~~ 49 h/h); Lalini Nkwenkwezi water supply(Ward 12, Engcobo 387 h/h) Lokshini phase 3 water supply (Ward 13, Engcobo 220 h/h); (Hewu RA 60 phase hh136), Emqonci village reticulation 22hh. Lokshini village water supply phase 2 (ward 13, Engcobo, 306 189h/h); Clarkebury water supply (ward 16, Engcobo, 220 161 hh); Water supply sudwana water supply (ward 13, Engcobo, 142 201 hh); Lalini Nkwenkwezi water supply (Ward 12, Engcobo 236 h/h), Lokshini phase 3 water supply (Ward 13, Engcobo 112 h/h), Mntuntloni B 145hh, Bhodini Phase 2 water supply.....h/h)				

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI 1.1.			**950 households served with Quality basic water supply by 30 June 2021**	**Not Achieved.** Overall achievement. 215 households served with Quality basic water supply in Gasini B water supply (ward 10). 62 households served with Quality basic water supply in Zinguthu Phase 3 water supply (ward 18 in Enoch Mgijima). 156 households served with Quality basic water supply in Upper lufutha ext. water supply(ward 9, Sakhisizwe).Target not achieved 0 households served with Quality basic water supply in Gubenxa water supply (ward 20, Engcobo 434h/h) practical complete. Total 433 (215+62+156) Target will not be further achieved. three projects have achieved practical completion households served are the actual households achieved	~~1 203~~ 947 **households served with Quality basic water supply by 30 June 2022**	**Not achieved only 2 water projects completed Namely 1) Mtshabe water supply (ward 10, Intsika Yethu, 62 h/h); 2) Gasini A Water supply (ward 10 Intsika Yethu 49 h/h);** **Water projects not achieved:** **3) Gqebenya water supply (ward 6, Emalahleni, 750h/h); construction** **4)Lokshini village water supply phase 2 (ward 13, Engcobo, 112h/h); construction 81%**	**1)n/a** **2)n/a** **3) Contractor still doing testing water tightness, testing reservoir and commissioning. Contractor failing to complete testing** **4)Contractor still completing pipework. Payment of suppliers and slow progress is also affecting work. Contractor abandoned site but SMME still working they completed standpipes, joints and fittings**	**1) n/a** **2) n/a** **3)The Contractor worked till late December 2021 and started very early in January 2022. This allowed him to catchup on the time lost due to reasons mentioned. The Contractor has also changed personnel, this has also led to improved performance. He subsequently struggled to complete testing, meeting was arranged to address the matter. Contractor promised to recommence on 27th June 2022 but has not. PSP to write to Client to request another PSP to deal with testing utilising retention monies** **4)Issues were raised with main contractor for him to address**	

		SDI 1.2			**829 households served with Quality basic water supply by 30 June 2021**	**Not Achieved.** Overall achievement: 694 households served with Quality basic water supply in RS2 phase 1 water supply to Esiqinkini, Dlakavu, Mkhonjana, Eqineni, Esigxeni (Ward1, Enoch Mgjima). 0 households served with Quality basic water supply in Hewu phase 7 water supply (ward 21 and 24, enoch mgijima). Hewu phase 7 to sign off practical completion by end August 2021	**~~1 602~~ 1451 households served with Quality basic water supply by 30 June 2022**	**Not achieved no consent forms** **1) Lixeni /ncityana/ kumbeke village water supply(ward 20 Engcobo, 64 h/h) complete no consent letter; 2) Clarkebury water supply (ward 16, Engcobo, 161 hh) construction 66% no consent form;** **3) Lalini Nkwenkwezi water supply (Ward 12, Engcobo 161 h/h) construction 83% no consent form,** **4) Ncora Flats Kwa Mazola Matafeni water supply(ward 17, Intsika Yethu 931 h/h) construction98.2% no consent form**	**1) Practical completion signed 11 October 2021 and completion certificate 20 October 2021 non consent due to water supply** **2) Main contractor was not doing any work on site and not responding to contractual letters. Only pipe work nearing completion all other items still to be dealt with.** **3) Contractor still sorting testing, spring capping, completion of mainlines and reticulation Inclement weather impacted progress** **4)Progress at 98.2%. Contractor still pressure testing and fixing leaks. Lack water supply form wtw. and inclement weather**	**1) Refer to correspondence . Projects achieved completion the challenge is community close to wtw wanting electrification of village. It function of local municipality to energise village. Engagement at various levels have achieved no results** **2) Response to contractual letters and commitment to completion of the project on time.** **3) Contractor complete remaining outstanding items that completion can be achieved** **4)Contractor to complete the testing. A standby generator was suggested as the solution to assist Eskom. The generator was included in Jojweni tender which has been awarded to the contractor. The contractor has now started working and the generator process is in progress and installation of the generator will solve the challenges faced**

		SDI 1.3			**1170 households served with Quality basic water supply by 30 June 2021**	**Not Achieved.** Overall Achievement: Total served 0 households. Target not achieved 0 households served with Quality basic water supply in Mthingevu in ward 8, Sakhisizwe project complete. Target not achieved 0 households served with Quality basic water supply in Upper Indwana in ward 7, Sakhisizwe project complete. Target not achieved 0 households served with Quality basic water supply in Kwamazola water reticulation (ward 17 and 18 Intsika Yethu). Total served 0 households Kwamazola water reticulation (ward 17,18 Intsika Yethu, 429 h/h) Testing being finalised by the main contractor; smme's completed. October planned completion dependant on Ncora wtw	**~~889~~ 935 households served with Quality basic water supply by 30 June 2022**	**Not Achieved** **1) Gubenxa village internal water supply (ward 20, Engcobo, 454 h/h, complete no consent form 2) Kumbeke village water supply (ward 20, Engcobo, 138 h/h) complete no consent form** **3) water supply sudwana water supply (ward 13, Engcobo, 201 hh) construction no consent form** **4) Lokshini phase 3 water supply (Ward 13, Engcobo 142 h/h) construction 80% no consent form**	**1) Completion signed 20 August 2021 No water** **2) Completion signed 19 October 2021 Issue is still supply water** **3) SMME still do standpipes. workers not paid. Construction reservoir not started although platform done** **4) Construction 220kl reservoir and access road to reservoir still be done**	**Refer to correspondence 29 June 2022 regarding the water matter as the project was affected by community stopping the connections owing to the issue they have of village electricity that they require which is not in control of the District** **2) Refer to correspondence 30 June 2022 regarding the water matter as project affect by community stopping the connation as they have issue of village electricity that they require and is not in control of the District** **3) meeting held with contractor to try resolve issues Contractor to complete remaining items work** **4) As minute correspondence sent to contractor raising concern of reservoir contractor has submitted program to commence work**

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI 1.4			**105 households served with Quality basic water supply by 30 June 2021**	**Not Achieved.** 0 households served with Quality basic water supply in Emqconci. Work still to be completed on site 1. Installation pump 90kl elevated reservoir 90% 2.Testing and commissioning elevated tanks 0% 4.Testing 0% Total =0 hh Emqconci Target achieved in terms practical completion signed on 14 July 2021. Still await commissioning of Tora wtw which supply water	~~170~~ 384 **households served with Quality basic water supply by 30 June 2022**	**Not achieved 1) Luthuthu water supply,(Ward 2, Emalahleni 247h/h; construction 90% 2)Emqonci village reticulation 22hh. practical complete completion pending 3) Mntuntloni B 145hh, 4) Bhodini Phase 2 water supply 192h/h), complete 5)Target achieved Hewu RA 60 phase hh136) complete**	**1) Contractor cashflow challenges, poor planning of work and not providing updated program 2) Emqonci practical signed 14 July 2021 challenge completion as water supply still pending 3) Handover pending as work complete 4)n/a 5) n/a**	**1)The contractor plan was to cede the work but never materialised. The contractor deployed senior staff to spend time on site and work weekends and led to improved rate of progress. Anticipated completion 4 November 2022 2) New Quotation assessed and order placed . Voltage regulators not available off the shelf and have lead times of 8 to 12 weeks and further two weeks for installation. Once wtw at Tora is recommissioned potable water will be supplied to Emqonci. Refer to correspondence 4 April 2022 3) Handover pending 4) n/a 5) n/a**	

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI 1.5					~~735~~ 757 households served with Quality basic water supply by 30 June 2022	**Not achieved** 1)water backlog scheme 3 phase 1C (Ward 17, Emalahleni, 735 h/h); construction 85% no consent form 2) Emqonci is duplicated it under item 1.4	1) Project in construction outstanding work. Connection of standpipes and some sections of pipelines, Hydraulic testing., Standpipes connection to reticulation lines, Mechanical and Electrical installations at the 2 pumpstations, Connection to Sikhungwini pumping main.	1)Work ceded to sub contractor to complete and expect completion 31 July 2022	
		SDI 1.6					~~553~~ 501 households served with Quality basic water supply by 30 June 2022	**Not achieved. Practical completion achieved no consent form**	**Practical completion done 24 June 2022 but contractor has not yet achieved completion for consent letter to be issued**	**Contractor to finalise snags for completion to be issued upon which consent can be signed**	
		SDI 1.7					1 390 households served with Quality basic water supply by 30 June 2022	**Not achieved Construction on hold no consent form**	**Progress 85% Termination of PSP services lead to project being at standstill**	**Various activities undertaken by PSP as per activity plan to deal with getting contractor back to site since consultant has recommenced. Expecting contractor to return 4th July 2022 to site**	

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u st
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI - 2		~~51 Water Reticulation projects completed~~	**10 Water reticulation projects completed by 30 June 2021**	**Not Achieved.** 7 water reticulation project were achieved. Gasini B water supply completed. Zinguthu Phase 3 water supply (ward 18, Enoch Mgijima) completed. 4 Upper lufutha ext. water supply (ward 9, Sakhisizwe) completed. Gubenxa water supply (ward… Engcobo , 434). RS2 phase 1 water supply to Esiqinkini, Dlakavu, Mkhonjana, Eqineni, Esigxeni (Ward1, Enoch Mgjima, 694h/h) completed. Mthingevu water supply (ward 8, Sakhisizwe, 374h/h complete. Upper Indwana water supply (ward 7, Sakhisizwe, 367 h/h) complete.	**~~16~~ 21 Water reticulation projects completed by 30 June 2022**	**Not Achieved. 1) Only 3 water reticulation projects were achieved. Mtshabe water supply (ward 10, Intsika Yethu, 36 h/h); 2) Gasini A Water supply (ward 10 Intsika Yethu 49 h/h); Hewu RA 60 phase hh136) complete**	**Refer to SDI 2.1 - 2.7 for actual achievement**	**Refer to SDI 2.1 - 2.7 for actual achievement**	**Director: Engineering and Technical Services**

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI 2.1		-	**04 Water reticulation projects completed by 30 June 2021**	**Achieved.** Overall achievement - Total 4 complete. Gasini B water supply completed. Zinguthu Phase 3 water supply (ward 18, Enoch Mgijima) completed. Upper lufutha ext. water supply (ward 9, Sakhisizwe) completed. Gubenxa water supply (ward… Engcobo , 434)	**04 Water reticulation projects completed by 30 June 2022**	**Not achieved only 2 water projects completed Namely 1) Mtshabe water supply (ward 10, Intsika Yethu, 36 h/h); 2) Gasini A Water supply (ward 10 Intsika Yethu 49 h/h); Water projects not achieved: 3) Gqebenya water supply(ward 6, Emalahleni, 750h/h); construction 4)Lokshini village water supply phase 2(ward 13, Engcobo, 112h/h); construction 81%**	**1)n/a 2) n/a 3)Contractor still do testing water tightness test reservoir and commissioning Contractor failing to complete testing 4)Contractor still complete pipework payment of suppliers and slow progress affecting work. contractor abandoned site but smme still working they completed standpipes, joints and fittings**	**1) n/a 2) n/a 3)The Contractor worked till late December 2021 and started very early in January 2022. This allowed him to catchup on the time lost due to reasons mentioned. The Contractor has also changed personnel, this has also led to improved performance. He subsequently struggled to complete testing meeting was arranged to address matter contractor promised to recommence on 27 the June 2022 but has not. PSP to write to Client to request another PSP to deal with testing utilising retention monies 4)Issues were raised with main contractor for him to address**	

		SDI 2.2		-	02 Water reticulation projects completed by 30 June 2021	**Not Achieved.** 1 completed. RS2 phase 1 water supply to Esiqinkini, Dlakavu, Mkhonjana, Eqineni, Esigxeni (Ward1, Enoch Mgjima, 694h/h) completed. Hewu phase 7 water supply (ward 21 and 24, Enoch Mgijima, 135h/h) project is complete but handover pending. Hewu phase 7 to sign off practical completion by end August 2021	**~~04~~ 05 Water reticulation projects completed by 30 June 2022**	**Not achieved** **1) Lixeni /ncityana/ kumbeke village water supply(ward 20 Engcobo, 64 h/h) complete no consent letter; 2) Clarkebury water supply (ward 16, Engcobo, 161 hh) construction 66%;** **3) Lalini Nkwenkwezi water supply (Ward 12, Engcobo 161 h/h) construction 83%** **4) Ncora Flats Kwa Mazola Matafeni water supply(ward 17, Intsika Yethu 931 h/h) construction 98,2%**	**1) Practical completion signed 11 October 2021 and completion certificate 20 October 2021 non consent due to water supply** **2) Main contractor was not doing any work on site and not responding to contractual letters. Only pipe work nearing completion all other items still be dealt with.** **3) Contractor still sorting testing, spring capping, completion of mainlines and reticulation Inclement weather impacted progress** **4)Progress at 98.2%. Contractor still pressure testing and fixing leaks. Lack water supply form wtw. and inclement weather**	**1) Refer to correspondence . Projects achieved completion the challenge is community close to wtw wanting electrification of village. It function of local municipality to energise village. Engagement at various levels have achieved no results** **2) Response to contractual letters and commitment to completion of the project on time.** **3)Contractor complete remaining outstanding items that completion can be achieved** **4)Contractor to complete the testing. A standby generator was suggested as the solution to assist Eskom. The generator was included in Jojweni tender which has been awarded to the contractor. The contractor has now started working and the generator process is in progress and installation of the generator will solve the challenges faced**

		SDI 2.3			**03 Water reticulation projects completed by 30 June 2021**	**Not Achieved.** Total 2 projects complete. Mthingevu water supply (ward 8, Sakhisizwe, 374h/h complete. Upper Indwana water supply (ward 7, Sakhisizwe, 367 h/h) complete. Kwamazola water reticulation (ward 17, 18 Intsika Yethu, 429 h/h) Progress 88% not achieved Kwamazola water reticulation (ward 17, 18 Intsika Yethu, 429 h/h) Testing being finalised main contractor smme are completed. October planned completion dependant on Ncora wtw	**~~04~~ 05 Water reticulation projects completed by 30 June 2022**	**Not Achieved 1)Gubenxa village internal water supply (ward 20, Engcobo, 454 h/h, 2) Kumbeke village water supply (ward 20, Engcobo, 138 h/h) complete 3) Water supply sudwana water supply (ward 13, Engcobo, 201 hh) construction 4) Lokshini phase 3 water supply (Ward 13, Engcobo 142 h/h) construction 80%**	**1)Completion signed 20 August 2021 No water 2) Completion signed 19 October 2021 Issue is still supply water 3) SMME still do standpipes. workers not paid. Construction reservoir not started although platform done 4) Construction 220kl reservoir and access road to reservoir still be done**	**)Refer to correspondence 29 June 2022 regarding the water matter as project affect by community stopping the connections as they have issue of village electricity that they require and is not in control of the District 2)Refer to correspondence 30 June 2022 regarding the water matter as project affect by community stopping the connections as they have issue of village electricity that they require and is not in control of the District 3) meeting held with contractor to try resolve issues Contractor to complete remaining items work 4) As minute correspondence sent to contractor raising concern of reservoir contractor has submitted program to commence work**
		SDI 2.4			**01 Water reticulation projects completed by 30 June 2021**	**Not Achieved.** Emqconci water supply (ward 2 Engcobo, 105 h/h). Construction. Work still to be completed on site 1. Installation pump 90kl elevated reservoir 90%, 2.Testing and commissioning elevated tanks 0% 4.Testing 0% Emqconci Target achieved interim	**~~1~~ 3 Water reticulation projects completed by 30 June 2022**	**Not achieved 1) Luthuthu water supply,(Ward 2, Emalahleni 247h/h; construction 90% 2)Emqonci village reticulation 22hh. practical complete completion pending 3) Mntuntloni B 145hh, 4) Bhodini Phase 2 water supply 192h/h), complete 5)Target achieved**	**1) Contractor cashflow challenges, poor planning of work and not providing updated program 2) Emqonci practical signed 14 July 2021 challenge completion as water supply still pending 3) Handover pending**	**1)The contractor plan was to cede the work but never materialised. The contractor deployed senior staff to spend time on site and work weekends and led to improved rate of progress. Anticipated completion 4**

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u r
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
						practical completion signed on 14 July 2021. Still await commissioning of Tora wtw which supply water		**Hewu RA 60 phase hh136) complete**	**as work complete 4)n/a 5) n/a**	**November 2022 2) New Quotation assessed and order placed . Voltage regulators not available off the shelf and have lead times of 8 to 12 weeks and further two weeks for installation. Once wtw at Tora is recommissioned potable water will be supplied to Emqonci. Refer to correspondence 4 April 2022 3) Handover pending 4) n/a 5) n/a**	

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					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI 2.5		-	-	-	~~1~~ 2 Water reticulation projects completed by 30 June 2022	Not achieved 1)water backlog scheme 3 phase 1C (Ward 17, Emalahleni, 735 h/h); construction 85% 2) Emqonci is duplicated it under item 2.4	1) Project in construction outstanding work. Connection of standpipes and some sections of pipelines, Hydraulic testing., Standpipes connection to reticulation lines, Mechanical and Electrical installations at the 2 pumpstations, Connection to Sikhungwini pumping main.	1)Work ceded to sub contractor to complete and expect completion 31 July 2022	
		SDI 2.6		-	-	-	1 Water reticulation projects completed by 30 June 2022	Not achieved. Practical completion achieved	Practical completion done 24 June 2022 but contractor has not yet achieved completion for consent letter to be issued	Contractor to finalise snags for completion to be issued upon which consent can be signed	
		SDI 2.7		-	-	-	01 Water reticulation projects completed by 30 June 2022	Not achieved Construction on hold	Progress 85% Termination of PSP services lead to project being at standstill	Various activities undertaken by PSP as per activity plan to deal with getting contractor back to site since consultant has recommenced. Expecting contractor to return 4th July 2022 to site	

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI - 3		**24 Bulk Water supply projects completed**	**02 Bulk water supply projects completed by 30 June 2021**		**~~04~~ 03 Bulk water supply projects completed by 30 June 2022**	**Not Achieved.**	**Refer to SDI 3.1 - 3.2 for actual achievement**	**Refer to SDI 3.1 - 3.2 for actual achievement**	**Director: Engineering and Technical Services**
		SDI 3.1			**01 Bulk water supply projects completed by 30 June 2021**	**Not Achieved.** Mhlanga Bulk water supply: construction Mhlanga Bulk water supply completion planned end November 2021	**02 Bulk water supply projects completed by 30 June 2022**	**Not achieved namely 1) Water backlog Kumbeke/ Hlophekazi practical completion pending. 2) water backlog supply Ngxumza to east construction 88%**	**1) Final site meeting was held In may 2022. Contractor had only two items to install namely bermad valves and site yard be cleaned up so that practical completion can be done 2) Pipe work excavating bedding laying, backfill , valve chambers, river crossing, M&E**	**1) Contractor indicated that they would install the bermad valves. Practical and completion pending 2) Updated program was received 5 May Progress has improved percentage wise during June**	
		SDI 3.2			**01 Bulk water supply projects completed by 30 June 2021**	**Not Achieved**. Water Backlog water supply Kumbeka & Hlophekazi Bulk water supply - construction. Water Backlog water supply Kumbeka & Hlophekazi Bulk water supply completion end October	**~~02~~ 01 Bulk water supply projects completed by 30 June 2022**	**Not achieved** In construction stage but project on hold	Consultant reappointed and commenced 3 May 2022. Contractor indicated that they will not in position to return on project.	PSP gone remeasured work of contractor whilst PSP was off site claim be submitted by 8 July 2022. Way forward to close project is either utilise smme , term tender to complete work. This will be done on finalisation of remaining works	

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u st
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI - 5	R 12 182 000	07 Water Treatment Works completed	01 Water Treatment works Completed by 30 June 2021	**Not Achieved.** Water Treatment works Completed (Tsomo)(ward 8 Intsika Yethu) Commissioning works Water Treatment works Completed (Tsomo)(ward 8 Intsika Yethu) planned completion end September	**02 Water Treatment works Completed by 30 June 2022**	**Target not achieved 1 wtw completed namely 1)Middelburg wtw 2) Tsomo wtw only achieved practical completion**	**1) practical completion certificate 9 September 2021 and completion certificate 9 December 2021. 2) Practical completion 5 April 2022 and contractor still dealing with snags to achieve completion**	**1) n/a 2) Contractor deal with Snags so that completion can be issued**	Director: Engineering and Technical Services
		SDI - 6	**37 545 519,00**	**14635 Households served with safe basic sanitation**	**1013 households served with safe basic sanitation by 30 June 2021**	**Not Achieved. 932 households served of the 1013 households Plan to serve balance of 81 households by December**	**2 270 households served with safe basic sanitation by 30 June 2022**	**Not Achieved. 2 310 households served with safe basic sanitation by 30 June 2022**	**Refer to SDI 6.1 - 6.4 for actual achievement**	**Refer to SDI 6.1 - 6.4 for actual achievement**	**Director: Engineering and Technical Services**
		SDI 6.1					**664 Households served with safe basic sanitation by 30 June 2022**	**Not Achieved 50 toilets signed off end June 2022**	**Late commencement work only commenced end May 2022. PSP appointed 9 MAY, contractor health and safety file were approved on 15th June 2022 resulted to delays on completion, remainder as expected July 2022**	**Plan was to complete the remining toilets by end July 2022, currently the project complete by 7 September 2022**	

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI 6.2					588 Households served with safe basic sanitation by 30 June 2022	Achieved Intsika Yethu Sanitation ward 1, 14, 15 & 18 Phase 2 - 2 134h/h	Material for the project was procured in the previous year and the allocated budget for construction only		
		SDI 6.3					664 Households served with safe basic sanitation by 30 June 2022	Not achieved 126 happy letters signed off	126 happy letters signed off work still in progress due to appointment delays in completion	Late commencement work only commenced end May 2022. PSP appointed 9 May appointed. SMME appointed 24 February 2022 to assist fast track the erection of the toilets. Anticipation completion is the end of November 2022	
		SDI 6.4					354 Households served with safe basic sanitation by 30 June 2022	Not achieved 0 toilets signed off end June 2022	Late commencement work only commenced end May 2022. PSP appointed 9 MAY, contractor health and safety file were approved on 13th June 2022 resulted to delays on completion.	Plan was to complete the remaining toilets by mid-August 2022, currently the project complete by 22 September 2022	

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI - 7	49 366 000,00	02 Waste Water Treatment works completed	01 Waste Water Treatment Works Completed by 30 June 2021	**Not Achieved.** Waste Water Treatment Works Completed (Tsomo wwtw) Progress 78% (Tsomo wwtw) planned completion by February 2022	~~03~~ 01 **Waste Water Treatment Works Completed by 30 June 2022**	**Not Achieved- Contract was terminated, rescinded and to recommence**	**Refer to email Tsomo wwtw events. The contract was terminated in March 2022. On 28 April 2022 site visit meeting was held on site to list site challenges. Contractor requested rescinding in May of termination and in June CHDM retracted termination**	**Letter of Termination of contract was rescinded and the subcontractor who worked ceded to and is on site preparing their compliance documentation and re-establishment on site for them to proceed with the works**	Director: Engineering and Technical Services

W S A	To ensure universal coverage of water and sanitation by 2022	SDI - 9	OPEX	Nil	10% reduction of Water losses by 30 June 2021	**Achieved.** Water losses sitting at 29.96%	**10% reduction of Water losses by 30 June 2022**	**Not Achieved 10% reduction of Water losses by 30 June 2022**	**Water Balance calculations information not complete. Budget constraints**	**Water Balancing calculations done inhouse.**	Director: Engineering and Technical Services
HUMAN SETTLEME	To facilitate implementation of Human	**SDI - 13**	**R3 700 000**	**02 Human Settlement programmes implemented**	**02 Human Settlements programmes implemented by 30 June 2021**		**01 Human Settlements programmes implemented by 30 June 2022**	**Refer to SDI 13.1 - 13.2 for actual achievement**	**Refer to SDI 13.1 - 13.2 for actual achievement**	**Refer to SDI 13.1 - 13.2 for actual achievement**	**Director :IPED**

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
	Settlements programmes	SDI - 13.1	R3 000 000	19 emergency houses completed	20 Emergency houses constructed in all 6 local municipality 30 June 2021	**Not Achieved.** IPED-Human Settlements Unit is in consultation with the Eastern Cape Department of Human Settlements on how the programme must be surrendered back to the department.	~~20 Emergency houses constructed in all 6 local municipality 30 June 2022~~	**Not Achieved**	**1.The 427 emergency programme has been terminated by CHDM Council and referred back to the Eastern Cape Department of Human Settlements.**	**The programme has been removed from the SDBIP during budget adjustment in 2022.**	Director :IPED

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI - 13.2	2 000 000	32 houses for destitute beneficiaries constructed in all 6 municipalities	6 destitute houses constructed in all 6 local municipality by 30 June 2021	**Not Achieved.** Not much work was done in relation to this project owing to budget limitations. Implementation of a number of projects were affected by the budget cuts including this project. The municipality has since made budget provision for the construction of 6 beneficiaries that were planned for in the 2020-2021 to be rolled-over to 2021-2022 FY.	**6 houses for destitute beneficiaries constructed in all 6 local municipality by 30 June 2022**	**Not achieved- 6 houses for destitute beneficiaries will be constructed in all 6 local municipality by 30 June 2023**	**Engineer has not yet been appointed. Construction will commence after the designs have been developed by the appointed engineer and approved for construction.**	**The Notice for the appointment of the engineer has been advertised on the 1st of July 2022. 6 houses for destitute beneficiaries will be constructed in all 6 local municipality by 30 June 2023**	Director :IPED

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI - 13.3	R49 000 000 - EC - DHS	Nil			~~1 Initiation phase of the upgrading of informal settlement program implemented by 30 June 2022.~~ ~~N/A~~	Not Achieved	ECDHS has rescinded the funding agreement for CHDM to be the implementing agent for the Upgrading Informal Settlements Programme. Housing Development Agent has been appointed as the implementing agent and fund administrator by ECDHS.	The programme has been removed from the SDBIP during budget adjustment in 2022.	Director: IPED

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
Municipal Health Services	To provide municipal health services in accordance with relevant legislations	SDI - 14	R 300 000	68% of Wastewater qualitycompliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended for compliance	100% Wastewater qualitycompliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended for compliance by 30 June 2021	**Achieved.** 68% Wastewater qualitycompliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended for compliance.	**100% Wastewater quality compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended monitored for compliance by 30 June 2022**	**Achieved. 36.76% Wastewater quality compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended monitored for compliance.**	**N/A**	**N/A**	Director: Health and Community Services

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI - 15	R570 158	98% of Drinking Water Complied to SANS 241	100% of Drinking Water Compliance to SANS 241 by 30 June 2021	**Achieved.** 100% of Drinking Water Compliance to SANS 241	**100% of Drinking Water Compliance in line with SANS 241 monitored by 30 June 2022**	**Achieved. 98.02% of Drinking Water Compliance to SANS 241 monitored.**			Director: Health and Community Services

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
Disaster and Fire Management	To ensure effects of disaster and fire are prevented or minimised	SDI-17	OPEX	01 Disaster Risk Management and 01 District Fire Services Programmes implemented as per DMP & DFSP	01 Disaster Risk Management and 01 District Fire Services Programmes implemented as per DMP & DFSP by 30 June 2021		01 Disaster Risk Management and 01 District Fire Services Programmes implemented as per DMP & DFSP by 30 June 2021	Refer to SDI 17.1.1 - 17.1.3 for actual achievement	Refer to SDI 17.1.1 - 17.1.3 for actual achievement	Refer to SDI 17.1.1 - 17.1.3 for actual achievement	Director: Health and Community Services

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI-17.1	OPEX	1 Disaster Risk Management Programmes implemented as per DMP	01 Disaster Risk Management Programmes implemented as per DMP by 30 June 2021		**01 Disaster Risk Management Programmes implemented as per DMP by 30 June 2022**	**Refer to SDI 17.1.1 - 17.1.3 for actual achievement**	**Refer to SDI 17.1.1 - 17.1.3 for actual achievement**	**Refer to SDI 17.1.1 - 17.1.3 for actual achievement**	Director: Health and Community Services

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI-17.1.1	OPEX		100% response to disaster management incidents reported by 30 June 2021	**Achieved.** 100% response to Disaster Management Incidents reported at Enoch Mgijima LM, Engcobo LM, Emalahleni LM, Intsika Yethu LM and Sakhisizwe LM.	**100% response to disaster management incidents reported by 30 June 2022**	**Achieved. 100% response to disaster management incidents reported.**			Director: Health and Community Services

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI-17.1.2	R1 900 000		100 % Disaster Stricken Households assisted with relief and recovery material by 30 June 2021	Achieved. 100 % Disaster Stricken Households assisted with relief and recovery material by 30 June 2021	**100 % Disaster Stricken Households assisted with relief and recovery material by 30 June 2022**	**Achieved.100% Disaster Stricken Households assisted.**			Director: Health and Community Services

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		SDI-17.1.3	R600 000		01 Disaster Management Early Warning System installed by 30 June 2021	**Not Achieved.** The implementation phase has commenced as per MOU (See detailed report) but there is a budget shortfall and delays that are technical related hence the project will be concluded in the first quarter of 2021/2022 financial year. There was a budget shortfall and delays that are technical related hence the project will be concluded in the first quarter of 2021/2022 financial year. The project is budgeted for in the 2021/2022 financial year, the application process will be accelerated and continues follow- ups will be made at Eskom	**01 Disaster Management Early Warning System installed by 30 June 2022**	**Achieved. Implementation of MOU for Disaster Management Early Warning System has executed as planned.**			Director: Health and Community Services
KPA 3: LOCAL ECONOMIC DEVELOPMENT											
BROAD STRATEGIC OBJECTIVE 3: To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use Management approaches as drivers for economies of scale and social cohesion.											

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s t
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
TOWN PLANNING	To ensure provision for the inclusive, developmental, equitable and efficient spatial planning by 2030	LED-1	R500 000	01 SPLUMA programmes implemented	01 Spatial Planning programme implemented as per SPLUMA by 30 June 2021	Achieved. Where applicable, tribunal meetings that were due to sit based on the applications received for consideration were scheduled. Feasibility study for cemeteries conducted	**01 Spatial Planning programme implemented as per SPLUMA by 30 June 2022**	**Achieved. 05 Tribunal set for the year 2021-2022 (01st September 2021, 02 Dec 2021, 10th February 2022 and the 02 June 2022) and applications were processed accordingly and approved.**			Dir: Strat Man. Services
Agricultural Development - Poverty Alleviation	**To Contribute economic development and growth in the district as envisaged in the NDP 2030**	**LED -3**	**R5 150 000**	**04 Agriculture Programmes implemented**	**04 Agriculture Programmes implemented by 30 June 2021**		**04 Agriculture Programmes implemented by 30 June 2022**	**Not Achieved. 03 Agricultural programmes implemented**	**Refer to LED 3.1 - 3.4 for actual achievement**	**Refer to LED 3.1 - 3.4 for actual achievement**	Director :IPED
		LED -3.1	R100 000	01 Poverty Alleviation Agricultural Programme Implemented	01 Poverty Alleviation Agricultural Programme Implemented as per Concept document by 30 June 2021	**Achieved.** Implementation of the Concept document is being monitored. Poultry inputs and piggery feeds (production inputs) were procured	**01 Poverty Alleviation Agricultural Programme Implemented as per Concept document by 30 June 2022**	**Not achieved**	**The service provider appointed by SCM could not deliver the inputs on time as a result the order has been cancelled by SCM. The service provider cited financial challenges on procurement of the inputs.**	**The service provider has been terminated. The programme will be implemented for 2022-2023 FY (Quarter 2).**	Director :IPED

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		LED -3.2	R500 000	01 Livestock improvement programme implementation (inoculation)	01 Livestock improvement and infrastructure development programme implemented as per SLA with CHDA by 30 June 2021	**Achieved.** Implementation of the SLA has been monitored	**01 Livestock improvement programme implemented as per SLA with CHDA by 30 June 2022**	**Achieved- 1 Livestock improvement programme implemented as per SLA with CHDA by 30 June 2022.**			Director :IPED
		LED -3.3	R1 200 000	01 Dry land cropping programme (RAFI) implemented	01 Dry land cropping programme (RAFI) implemented as per SLA with CDC by 30 June 2021	**Achieved.** The implementation of the SLA has been monitored.	**01 Dry land cropping programme (RAFI) implemented as per SLA with CDC by 30 June 2022**	**Achieved. Implementation of SLA with CHDA is being monitored**			Director :IPED
		LED -3.4	R750 000	Irrigation schemes programme implemented (Ncora, Qamata, Shiloh)	01 Irrigation schemes programme implemented as per SLA with CHDA by 30 June 2021	**Achieved.** Implementation of the SLA has been monitored	**01 Irrigation schemes programme implemented (Shiloh) as per SLA with CHDA by 30 June 2022**	**Achieved. 01 Irrigation schemes programme implemented (Shiloh) as per SLA with CHDA by 30 June 2022**			Director :IPED
SMME SUPPORT	**To Contribute economic development and growth in the district as envisaged in the NDP 2030**	LED-4	R1 500 000	1 SMME Programme implemented	01 SMME programme implemented by 30 June 2021	**Not Achieved.** No SMME's were supported owing to the limited resources. An advert detailing the nature of support will be prepared and issued at the beginning of Q1	**01 SMME programme implemented by 30 June 2022**	**Not achieved**	**The adjudication has not yet been finalised due to non-sitting of the SMME Development Committee**	**The Chairperson of the Committee to convene a meeting to finalise adjudication.**	Director :IPED

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u st
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		LED-5	OPEX	30% of budget spent on local businesses as per preferential procurement	30% of budget spent on local businesses as per preferential procurement regulation monitored by 30 June 2021	**Not Achieved.** Reports not received from the BTO directorates for monitoring preferential procurement of 30% to local businesses. Follow up with SCM, escalate the matter to the office of the MM for intervention	**30% of budget spent on local businesses as per preferential procurement regulation monitored by 30 June 2022**	**Achieved : Report on the 30% spent on the local SMMEs monitored**			Director :IPED-SMS
LOCAL ECONOMIC DEVELOPMENT		**LED - 8**		**1042 work opportunities created through EPWP**	**1 713 work opportunities created through EPWP by 30 June 2021**	**Not Achieved. 1372 work opportunities created through EPWP. 1207 vs 1544 (Engin); 12 War Room Facilitators employed - SMS. 69 Jobs created. (Comm Serv); 40 Interns appointed (Corp Services); 44 EPWP jobs created, however 1 was deceased and 1 absconded (IPED);**	**2 240 work opportunities created through EPWP by 30 June 2022**	**Not Achieved. 1 868 EPWP jobs created and maintained. 1 626 EPWP work opportunities created (Engineering Services). 68 work opportunities created (with 16 created and maintained) SMS. IPED - 34 work opportunities created. Corp Serv - 40 EPWP work opportunities created and maintained. Health & Comm Serv - 100 EPWP job opportunities created**	**Delays in the implementation of the projects owing to preferential procurement issues that were communicated by Treasury**	**Procurement improved only in Quarter 4 and the annual target could not be met. EPWP work opportunities will continue to improve from the Q1 of 2022/2023 financial year as procurement processes are proceeding as normal**	**All Directorates**
KPA 4: FINANCIAL MANAGEMENT AND VIABILITY											
Broader Objective 4 :To Ensure an Efficient and Co-ordinated Financial Management that Enables CHDM to deliver its Mandate											
Revenue Management	Ensure sound financial management	**FMV-2**	**OPEX**	**01 Revenue Enhancement programme implemented**			**01 Revenue Enhancement programme implemented by 30 June 2022**	**Refer to FMV 2.1 - 2.3 for actual achievement**	**Refer to FMV 2.1 - 2.3 for actual achievement**	**Refer to FMV 2.1 - 2.3 for actual achievement**	**Chief Financial Officer**

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					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		FMV-2.1	OPEX	Revised data cleansing plan	1 Data cleansing activity completed in 6 Local Municipalities by 30 June 2021.	**Achieved.** No service provider has been appointed, the revised data cleansing plan was implemented by the revenue unit with the assistance of BCX (Financial System) using data collected by EPWP workers and also information obtained from the local municipalities e.g. Valuation Rolls, cadastral information and billing reports.	**1 Data cleansing activity completed in 6 Local Municipalities by 30 June 2022.**	**Not Achieved - Revision of Data Cleansing Plan; 2. Implementation of Data Collection and Capturing in 4 Local Municipalities (Engcobo and Intsika Yethu, Inxuba Yethemba and Emalahleni) (Enoch Mgijima and Sakhisizwe Local Municipalities) Data cleansing activities completed. Billing Data Base reviewed for all 6 municipalities**			Chief Financial Officer
		FMV-2.2	OPEX	Credit control policy; Debt collection and Credit control plan implemented	1 Debt collection and Credit control plan implemented by 30 June 2021.	**Achieved**. 1 Debt collection and Credit control plan implemented	**1 Debt collection and Credit control plan implemented by 30 June 2022.**	**Achieved. 1. Report on Debt collection 2. list of disconnection and register for distribution of notices. 3. debt collection plan implemented.**			Chief Financial Officer

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u st
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		FMV-2.3	OPEX	Indigent register	1 Updated Indigent register submitted to Council for approval by 30 June 2021	**Not Achieved.** Municipality resolved to get Indigent Registers from the Local Municipalities, review and consolidate them to have one credible District Indigent Register which is aligned with local municipalities registers. Subsequently all the Municipal indigent register has been obtained and verified. The draft consolidated indigent register will be submitted to Council for approval in the first quarter of 2021/22 financial Year.	**1 Updated Indigent register developed, submitted to Council for adoption and implemented by 30 June 2022**	**Achieved - Engagement with local municipalities on the submission and capturing of indigent registers from all 6 local municipalities, Verification of Indigent Register Council resolution is attached. Updated indigent register presented to Council structures and Council and was adopted, Updated indigent register implemented**			Chief Financial Officer
SUPPLY CHAIN MANAGEMENT	Ensure sound financial management	**FMV - 3**	**OPEX**	**SCM Compliance Report.**	**01 SCM Compliance programme implemented by 30 June 2021**	**Refer to FMV-3.1 to FMV-3.7**	**01 SCM Compliance programme implemented by 30 June 2022**	**Refer to FMV 3.1 - 3.7 for actual achievement**	**Refer to FMV 3.1 - 3.7 for actual achievement**	**Refer to FMV 3.1 - 3.7 for actual achievement**	**Chief Financial Officer**
		FMV - 3.1		01 Procurement plan developed and implemented	01 Procurement plan developed and implemented by 30 June 2021.	**Achieved.** Procurement plan developed, implemented and reported on a quarterly basis	**01 Procurement plan developed and implemented by 30 June 2022.**	**Achieved. Procurement plan implemented. Procurement plan for 2022-23 developed**			Chief Financial Officer

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Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		FMV - 3.2		1 Deviation register developed and maintained	04 Deviation reports compiled and submitted by 30 June 2021.	**Achieved.** 04 Deviation reports compiled and submitted	**01 Deviation registers compiled and submitted by 30 June 2022.**	**Achieved. 1 Deviation register compiled and submitted**			Chief Fin Officer
		FMV - 3.3		01 Irregular expenditure register compiled	04 Irregular expenditure reports compiled and submitted by 30 June 2021	**Achieved.** 4 irregular expenditure reports compiled and submitted	**01 Irregular expenditure register compiled and submitted by 30 June 2022**	**Achieved. 01 Irregular expenditure register compiled and submitted**			Chief Fin Officer
		FMV - 3.4		1 Contract management register	04 Contract management register and Commitments register reconciled by 30 June 2021	**Achieved.** 04 Contract management register and Commitments register reconciled	**01 Contract management register compiled and submitted by 30 June 2022**	**Achieved - 01 Contract management register compiled and submitted**			Chief Fin Officer
		FMV - 3.5		4 Bid committee reports	04 Bid committees reports compiled and submitted by 30 June 2021	**Achieved.** 04 Bid committees reports compiled and submitted	**04 reports on the functionality of Bid committees compiled and submitted by 30 June 2022**	**Achieved. 04 reports on the functionality of Bid committees compiled and submitted**			Chief Fin Officer
		FMV - 3.6		5 SCM reports compiled and submitted	5 SCM reports compiled and submitted by 30 June 2021 **(FMV - 3.7 2021 SDBIP)**	**Achieved.** 5 SCM reports compiled and submitted	**5 SCM reports compiled and submitted by 30 June 2022**	**Achieved - 1. SCM annual report 2. 4 X SCM quarterly report**			Chief Fin. Officer

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Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Custodian
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
Expenditure Management	Ensure sound financial management	FMV - 3.7		4 Fruitless and Wasteful Expenditure register compiled and submitted	4 Fruitless and Wasteful Expenditure reports compiled and submitted by 30 June 2021 **(FMV - 3.6 2021 SDBIP)**	**Achieved.** 4 Fruitless and Wasteful Expenditure reports compiled and submitted	**1 Fruitless and Wasteful Expenditure register compiled and submitted by 30 June 2022**	**Achieved. 1 Fruitless and Wasteful Expenditure register compiled and submitted**			Chief Financial Officer
Annual Financial Statements	Ensure sound financial management	FMV-6	OPEX	Audited 2019/20 AFS	01 GRAP Compliant Annual Financial Statement compiled by 30 June 2021	**Achieved.** 01 GRAP Compliant Annual Financial Statement 2019/2020 compiled and submitted to Council and AG as legislatively required	**04 GRAP Compliant Annual Financial Statements compiled by 30 June 2022**	**Achieved. 04 GRAP Compliant Annual Financial Statements compiled. 1. Annual Financial Statement. 2. Report from Audit Committee and Internal Audit. 3. Council Resolution and Acknowledgement letter from A.G 3. Mid - year financial statement. (Report of mid - year financial statement and Audit File) 4. Quarter three (3) Financial Statement, Report on quarter three (3) Financial Statement and Audit File**			Chief Financial Officer
KPA NO- 5 GOOD GOVERNANCE and Public Participation							**Weight: 20%**				
BROAD STRATEGIC OBJECTIVE 5: To create an Efficient, Effective, Accountable and Performance-oriented Administration											
Communications	To empower Citizens through Communication, Public Participation and stakeholder engagement.	**GGPP - 1**	OPEX	02 Communication Programmes			**02 Communication Programmes implemented by 30 June 2022**	**Refer to GGPP-1.1 for actual achievement**	**Refer to GGPP-1.1 for actual achievement**	**Refer to GGPP-1.1 for actual achievement**	**Director: Strat Man. Services**

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
		GGPP 1.1					1 External Communication Management Programme implemented by 30 June 2022	Achieved. 128 Stakeholder engagements and campaigns support facilitated ; 4 External Newsletter developed ; 2 booklets produces (service delivery milestones and summary by-laws) ; a) Media Management : 10 Media briefings conducted ; 29 Media statements produced; 12 media monitoring reports produced ; 21 Media enquiries and responses; 25 Radio talk shows conducted; 2 Outside broadcasting services facilitated b) Social Media updates: Social media pages are monitored daily - Facebook and Twitter - 1380 posts uploaded during the financial year, with 13437 followers			Director: Strategic Management Services

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				Cust
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
Customer Care		GGPP - 3	OPEX	60% complaints resolved as per Municipal Complaint Management System			**100% complaints resolved as per Norms and Standards for Municipal Complaint Management System monitored by 30 June 2022**	**Achieved. 84.5% complaints resolved as per Norms and Standards for Municipal Complaint Management System monitored by 30 June 2022**			Director: Strategic Management Services

Audited Performance Report

Top Layer Service Delivery and Budget Implementation Plan 2021/2022

Priority Area	Measurable Objectives	Indicator Code	Programme Budget Allocation	Baseline	Performance Report 2020/2021		PERFORMANCE REPORT 2021/2022				C u s t
					Annual Target	Actual Performance	Revised SDBIP Annual Target 2021/2022	1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)	Variances (Reason for Non, under/Over Achievement)	In case of non-achievement provide Remedial (Corrective Action)	
IGR	**To ensure integrated approach to service delivery**	**GGPP-11**	R50 000.00	01 Inter Governmental Relations Strategy and 01 International Relations Framework implemented			**2 functional inter-governmental relations (District Development Model and functional international relations programmes implemented by 30 June 2022**	**Refer to GGPP 11.1 - 11.2 for actual achievement**	**Refer to GGPP 11.1 - 11.2 for actual achievement**	**Refer to GGPP 11.1 - 11.2 for actual achievement**	**Director: Strategic Management Services**
		GGPP11.2					**01 Functional DDM coordinated by 30 June 2022**	**Achieved:** 05 Functional District Development Model coordinated **(12th of August 2021, 3rd of December 2021, 08th of March 2022 & on the 9th-10th of March 2022 and lastly 01st of June 2022.**	Increasing need for District Development Model Awareness throughout the district in Q3		Dir: Strategic Man. Services
		GGPP-11.3					**01 Functional International Relations Programmes implemented by 30 June 2022**	**Achieved: 04 Functional International Relations Programmes implemented (GIZ-GSP II Learning and Sharing programme was conducted on the 26 October 2021, Meeting was held between CHDM and TURKEY Embassy on 31st of January 2022 as well as between CHDM and CHDA in preparation for the German delegation from SUN Farming.**			Director: Strategic Management Services

Indicator Description – Operational SDBIP

Indicator Code	KPI	Indicator Descriptions
KPA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT		
MTOD - 1	**Number of Integrated Human Resource Management programmes implemented**	**Integrated Human Resource Management programmes – seeks to improve organization performance and developing a culture that foster innovation to help the organisation to achieve its performance. These programme will be implemented through the following programmes 1. Skills Development 2. Labour Relations 3. Human resources Management.**
MTOD-1.1	Number of Skills Development Programmes implemented	Skills Development Plan focus on identifying skills gaps, and developing or sharpening of those skills. This plan will be implemented through the Work Place skills plan which entails trainings conducted for staff members. These trainings takes place on quarterly basis The process for the implementation of Skills Development will be as follows; 1.Approved WSP submitted to LGSETA 2.Implementation of training programmes on approved WSP and in line with the policy. 3. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = Approved Workplace Skills Plan
MTOD - 1.2	Number of Labour Relations Programme implemented	Labour Relations is entrusted with harmonising working relations between the employer and employees. To achieve this target , two projects will be convened and implemented in line with relevant prescripts. The first project will be implemented through convening of Local Labour Forum meetings. Local Labour Forum ensures sound employer and employee relations within the district municipality. These forum are conducted on quarterly basis. The second Labour Relations project will be conducted through capacity building and awareness campaigns that will capacitate managers and supervisors with knowledge, skills and performance improvement within their respective departments in order to create a conducive working environment and well-disciplined institution. There will be one [1] Labour Relations project implemented per quarter as follows; 1. 1 Labour Relations Project in Q1 [Awareness on impact of COVID-19 - Employee rights and responsibility during COVID- 19 dispensation] 2. 1 Labour Relations Project in Q2 [Code of Conduct for Municipal Employees] 3. 1 Labour Relations Project in Q3 [Initiating and Chairing Disciplinary Hearing] 4. 1 Labour Relations Project in Q4 [Conflict Management in the Workplace] 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = LRA, BCEA, SALGBC Collective Agreement

Indicator Code	KPI	Indicator Descriptions
MTOD-1.2.1	Number of Local Labour Forums implemented	Labour Relations is entrusted with harmonising working relations between the employer and employees. To achieve this target Labour Relations project will be conducted through capacity building and awareness campaigns that will capacitate managers and supervisors with knowledge, skills and performance improvement within their respective departments in order to create a conducive working environment and well-disciplined institution. LLF ensures sound employer and employee relations within the district municipality. The capacitation programme and sitting of forum are conducted on the quarterly base. The process for the implementation of Labour Relations Programme will be as follows; 1. Convene Local Labour Forum 2.Capacitation of Managers and Supervisors 3. etc 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = LRA, BCEA, SALGBC Main Collective Agreement
MTOD - 1.3	**Number of Human Resource Management programme implemented**	**Human Resources Management is a process for managing an organizations employees in a strategic manner to optimise their performance and productivity. This programme will be implemented through the following four activities namely;** **1. Review of the Staff Establishment** **2. Filling of Vacant funded positions according to CHDM Employment Equity Plan** **3. CHDM Job Descriptions writing** **4. Submission of Provisional Outcomes Report to Provincial Audit Committee**
MTOD-1.3.3	Number of departmental engagement held on review of job descriptions and development of new job descriptions	Job Descriptions writing is informed by new and existing Job Descriptions(JD's) that are in the approved staff establishment. It is the municipality's responsibility to write and review job descriptions for all posts that are in the staff establishment. The process for the facilitating of Descriptions review and writing will be as follows; 1. Assessment report on the number of job descriptions written and reviewed to determine the outstanding number of JD's to be reviewed or written 3. OD and JE unit will then review submitted drafts and send comments back to Directorates. 4.Directorates will consider the comments from OD and JE unit and resubmit. 5. The final draft JD will then be signed by the Directorate. 6. The signed JD's will the be submitted for grading by OD and JE unit to the District Job Evaluation Committee. 2. Method of calculation = Sum =number of departmental engagement held . 3. Source documents = Approved Structure, New Position, Reports and Attendance register.

Indicator Code	KPI	Indicator Descriptions
MTOD-1.3.4	Number of Provisional Outcomes Report submitted to Provincial Audit Committee	Provisional Outcomes reports are reports of all evaluated job descriptions submitted by Chris Hani District Municipality and all local municipalities to the Provincial Audit Committee. It is compiled after each evaluation session and submitted to the Provincial Audit Committee which has a responsibility to audit these provisional outcomes. The process for grading of JD's by the District Job Evaluation Committee will be as follows; 1. Submission of signed JD's to District Job Evaluation Committee 2. The District Job Evaluation Committee will then evaluate the submitted JD's and give comments where necessary. The committee will then compile the Provisional Outcomes report (POR) on the evaluated JD's 3. District Job Evaluation Committee will submit the Provisional Outcomes report to the Provincial Audit Committee for auditing. 4. Provincial Audit Committee will audit the POR and compile a Final Outcomes report. 5 . The Provincial Audit Committee will send the Final Audited Outcomes report to municipality for implementation 2. Method of calculation = Sum =1 POR will be submitted to the Provincial Audit Committee each quarter. 1x4 =Total for the year = 4 Reports 3. Source documents = f signed JD's, Provisional Outcomes report, Proof of submission to Provincial Audit Committee, Final Audited Outcomes report.
MTOD-1.4	Number of Middle Managers Individual Performance Assessment and/or review reports compiled and submitted	Individual Performance Management empowers employees to use their skills and knowledge to perform their jobs in a productive manner. These assessments will start with the compilation and completion of the performance Accountability Agreement and the bi-annual assessments and bi-annual reviews will be conducted by HOD's and Middle Management. Process to be followed: (1) An approved top layer and operational SDBIP will be prepared and submitted to Council structures and council for approval towards the end of the financial year and after the approval of the IDP (2) An approved SDBIP will be submitted to all directorates for each to prepare and align performance agreements and accountability agreement with SDBIP and sign before the end of the 1st month of the 1st quarter. (3) Copies of the signed agreements will be solicited from directorates for record keeping, compilation of report on the implementation of the council approved PMS Framework. (4) Assessment tool will be prepared and circulated to all directorates with the actual deadlines on when the reviews/assessments should be completed and reported
MTOD-2	**Number of Integrated Health, Wellness Mainstreaming and Occupational Health and Safety Programmes implemented**	**Integration of Health, Wellness Mainstreaming and Safety Programmes that educates about wellness, health and safety of employees, councillors, traditional leaders, managers and their families.**
MTOD 2.2	Number of Health management programmes implemented	Health management are preventative , therapeutic, rehabilitative, supportive programmes aimed at improving well being of employees, councillors, traditional leaders, managers and their families through group and individual educational and consultation sessions based on the employee satisfaction survey . The programme will be implemented through focus groups and individual sessions. The method of calculation is 1x 4 =4 . The output is the quarterly reports and attendance registers.

Indicator Code	KPI	Indicator Descriptions
MTOD 2.3	Number of Occupational Health and Safety Programmes implemented	Occupational Health and Safety Programmes are programmes aimed at promoting a healthy and safe work environment through protection of employees against hazards to their health and safety arising out of the work they perform as well as protection of any other person who may be exposed to hazards in the work place environment. This programme will be implemented through the following activities; 1. Occupational Health and Safety education & awareness 2. Medical assessments and Vaccination 3. Provision of Protective Clothing and hygiene consumables
MTOD 2.3.1	Number of Occupational Health and Safety education & awareness conducted	Occupational Health and Safety education & awareness process is informed by the OHS Act, regulations and OHS Strategy. The awareness educates employees on how to keep safe in a workplace and how to identify, report and control the workplace hazards. The process for the implementation of Occupational Health and Safety education & awareness will be as follows; 1. OHS education and awareness on COVID 19 activities will be implemented in Q1, Q2, Q3 & Q4 at Whittlesea, Molteno, Sterkstroom, Revenue Services, Supply Chain Management Services (BTO), Intsika Yethu, IPED and Corporate Services satellite workplaces. 2. Method of calculation = 4 OHS education & awareness will be implemented during this financial year in Q1, Q2, Q3 & Q4 3. Source documents = programme plan
MTOD 2.3.2	Number of Medical assessments and Vaccination initiatives implemented	Medical surveillance is conducted in compliance with Section 8(1) of Regulations for Hazardous Biological Agents. Medical assessments is a planned programme or periodic examination conducted by Occupational health practitioner or Occupational Medical Practitioner aimed at establishing whether employees have been exposed to hazardous biological agents. Vaccinations are provided to employees to prevent them from contracting occupational diseases such as Hepatitis and others. Employees who are exposed biological agents are prioritised for medical surveillance and vaccinations. Medical assessments and vaccinations are conducted annually. The process for the implementation of Medical surveillance and Vaccination initiatives will be as follows; 1. Medical assessments and vaccinations will be conducted for water services employees in two satellite workplaces in Quarter 1 & Quarter 2, and one satellite workplace in Q3 and one satellite workplaces in Q4. 2. Source documents = medical assessments and vaccinations report

Indicator Code	KPI	Indicator Descriptions
MTOD 2.3.3	Number of Satellite Offices provided with Personal Protective Clothing and hygiene consumables	Personal Protective Equipment and Hygiene consumables are provided to employees in terms of Section 2(2) of General Safety Regulations. PPE and hygiene consumable are provided to the employees by the employer as one of the control measures taken by the employer to mitigate against the risk of exposure to hazards in the workplace environment. The process for providing Satellite Offices with Personal Protective Clothing and hygiene consumables will be as follows; 1. PPE (waders) and hygiene consumables distribution programmes will be conducted for water services employees in 5 satellite workplaces in the 5 satellite workplaces (Enoch Mgijima, Engcobo, Sakhisizwe, Emalahleni & Intsika Yethu) in Q1 & PPE (overalls) and hygiene consumable distribution programmes implemented at 6 satellite workplaces for designated employees. 2. In Q2, PPE (overalls) and hygiene consumables distribution programme will be conducted for water services employers in need of this PPE at Engcobo & Intsika Yethu satellite workplaces. 3. Source documents = Lists from all satellite workplaces of employees, nature of jobs performed, type of PPE required sizes.
MTOD 2.3.4	Number of Occupational Health and Safety plan developed and implemented in relation to Covid 19	A service provider will be sourced through supply chain management processed to develop a health and safety plan and provide services district wide which are required to response to COVID 19 in CHDM workplaces. Health and safety management plan will guide services which will be provided by the appointed service provider in response to COVID 19 which includes amongst others rapid responses to disinfect workstations when there are employees who test COVID 19 positive, COVID 19 educational material and signages, foot pressed sanitisers and any other required equipment and services. Process to be followed to develop Health and Safety plan and implementation thereof: 1. Terms of Reference for Health and Safety plan and implementation tender a in relation to COVID 19 will be developed and submitted to Bid Specification Committee for approval and advertising in Q1. 2. A service provider will be appointed to develop the plan and provide services required in response to COVID 19 in Q2. 3. Appointed service provider will provider services to CHDM workplaces district wide in response to COVID 19 in Q3 & Q4
MTOD - 3	Number of Municipal vehicles managed	Municipal vehicles managed will focus on acquisition of municipal vehicles and maintenance, daily repairs, fitment ,servicing and licencing of existing municipal vehicles as per manufacturers specification and on request by user.

Indicator Code	KPI	Indicator Descriptions
MTOD 3.1	Percentage of Municipal vehicles maintained as per dealer specification and on request by user	Municipal vehicles Maintenance will focus on services, repairs, fitment of accessories and licensing of vehicles. The process focuses on ensuring that all vehicles are roadworthy at all time and on the following process: DAILY REPAIRS, FITMENT & SERVICE 1.The user reports the faults and damages on vehicles for repairing. 2. Log a maintenance call to the Service Provider stating vehicle details, faults (Annual Service), acquire reference number and name of the merchant. 3. SP forwards the Clearance for approval, clearance get signed and SP provides Authorisation letter.4. Once vehicle is done, the office signed the repair invoice. 5. the vehicle is released from the repairs. LICENCING: this can be done Annually or based on kilometre travelled or which ever comes first. Licence renewal are done monthly depending if there are any. 1. The users reports vehicle licences that has expired or expiring or Traffic department provide us with the list of due registration monthly. 2. The office compiles memo with the list of all vehicles and total cost for payment. 3.Arrange Certificate of Fitness (COF) first for Trucks before the new licence can be issued. 5. Once the money has been received, we go to traffic department for vehicle renewals.6. Drivers come to collect the new disc. 2. Method of calculation = Total no of Maintained vehicles + Service + Licencing / (Total Actual Maintained vehicles + Service + Licencing done) X 100 = 100% per quarter. 3. Source documents = 1. Maintenance & Service: Request from users, Job card, Service Intervals/ Service book, Clearance. 2. Licencing: Registration Certificates, Licence disc.
MTOD 3.2	Number of Municipal Vehicles acquired	Municipal vehicles will focus on acquisition of municipal vehicles. CHDM is participating on National Treasury Transversal Contract RT57 for procurement of vehicles, this means that Fleet do not follow the SCM internal processes. The process for acquiring Municipal vehicles will be as follows; 1.The office draft /compile vehicle as per the type of vehicle needed. 2. Requesting of quotation by sending specification top the RT57 list of manufacturers as per the ranking and Conditions of contracts. 3. Once quotation has been received, office compile memo requestion to purchase to Procurement Manager. 4. PM checks the quotations and document for compliance by the manufacture. 5. the document is then submitted to Director C/S, CFO & MM for approval. 6. Document is submitted to SCM for further processing and issuing of order. 7. The manufacturer delivers the vehicles, signs delivery note. 8. The manufacturer submits invoices for payment processing. 2. Method of calculation = Number of vehicles acquired per quarter = Total number of vehicle (order + delivery note) 3. Source documents = Invoices, Vehicle order, Delivery note

Indicator Code	KPI	Indicator Descriptions
MTOD - 5	Number of Facility Management Plan implemented	Facility Management Plan (FMP) will address amongst other aspects the maintenance of municipal buildings which generally seeks to keep all building systems and components operating efficiently and effectively and to ensure a safe and accommodating environment. As maintenance is most often associated with repairs and refurbishment, the FMP will detail on how implementation will be carried out as per request of user departments and assessment. 1. Implementation of the FMP as per identified required maintenance e.g. emergency (adhoc), routine maintenance, and periodic preventive maintenance. Implementation Quarterly Reports For this current year the municipality will refurbish one municipal office namely; Stekstroom Site office as per request by departmental user.
MTOD - 6	Number of Cluster Security Management Plans developed and implemented	1.The Municipality has undertaken a cluster approach in the provision of security management services. 2. The sites shall be clustered as follows: • Komani, Whittlesea, Sterkstroom, Molteno and Tarkastad; • Cofimvaba, Tsomo and Ngcobo; • Cacadu, Dordrecht, Indwe, Cala and Khowa; and • Hofmeyer, Cradock and Middelburg. 3. The Municipality has appointed 4 (four) service providers that shall be responsible for provision of security management services to the abovementioned 4 (four) clustered sites. 4. it is a requirement that the service providers conduct security risk assessments in all the sites, in consultation with the Water Services Provisioning: Area Manager or delegated officials that will enable them to develop security management plans; 4.As soon as security risk assessments have been undertaken, security risk assessment reports shall be prepared, submitted to the Municipality, and thereafter security management plans shall be developed together with the implementation plans for submission to the Municipality as basis upon which the security management services shall in each cluster of sites be provided; and 5. The 4 (four) security management plans shall be implemented and be monitored with comprehensive reports on a monthly and quarterly basis. 6. It is expected that there will be 4 (four) Implementation reports submitted to the Municipality on a monthly and quarterly basis. Method of calculation: 1 x 4 Security Management Plans developed Output: 4 Security Management Plans Developed and Implemented

Indicator Code	KPI	Indicator Descriptions
MTOD - 7	**Number of ICT Programmes Implemented**	**To identify, provide, support and maintain, business systems and solutions and IT Infrastructure and to provide sound governance on management of ICT. The process for the Implementation of the ICT Programmes will be as follows;** **1. Establishment of ICT Infrastructure** **2. Implementation of information security management** **3. Establishment of Disaster Recovery Site.** **2. Method of calculation = Sum =1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter** **3. Source documents**
MTOD - 7.2	Number of Disaster Recovery Plan implemented	A Disaster Recovery site will be established data will be migrated to that DR site in phases according to various services and/or applications. The data migration report will be compiled on a quarterly base and submitted to council committees. 1. Project inception meeting 2. Storage requirements and calculations 3. Connectivity to offsite location 4. Licensing veam replication software 5. Installation and configuration of backup and DR 6. Monitoring and reporting 2. Method of calculation = Sum =1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents
MTOD-7.3	Number of Public Wi-Fi Hotspots implemented	Wi-Fi is a wireless broadband technology that allows several enabled electronic devices to connect to an Internet via an access point or single account thereby lowering costs to communicate. Public Wi-Fi hotspot will be installed at Komani Gardens in Enoch Mgijima Local Municipality. Once the hotspot is functional, use reports will be generated and council committees. The goal for this public Wi-Fi hotspot is to connect citizen so that they can be able participate to electronic government programs. 1. Develop terms of reference 2. Facilitate SCM procurement process 3. Appointment of the service provider 4. Implementation of the public Wi-Fi hotspot 2. Method of calculation = Sum =1 programme will be implemented with different activities as stipulated in the SDBIP each quarter 3. Source documents =

Indicator Code	KPI	Indicator Descriptions
MTOD - 8	**Number of Administration Support and Legal Services Programmes implemented**	**The Legal Services and Administration Unit has two components, which are the Legal Services and Administration. Firstly, Legal Services proactively manages the litigation risk of the Municipality by implementing the Litigation Management Strategy. The strategy aims to create awareness on issues that might pose a risk of litigation to the Municipality such as PAIA requests, decision-making (PAJA), legislative/ policy development (and drafting) and drafting of contracts, and also provides for ways of responding to litigation and PAIA matters as ana when they arise.** **Secondly, the Administration component provides support not only to management but also to political offices. While the records management section is a custodian of Municipal archives and records, the Council Support Unit provides secretariat support to Council structures such as Council, Mayoral Committee and standing committees. Awareness's campaigns with various directorates on file plans, records disposal and other records management controls are provided on a quarterly basis, while secretarial support is also given to Council structures by means of preparation of agendas, minutes, attendance registers and resolutions.**
MTOD - 8.1	Number of Secretariat Administration support projects implemented	The Council Support sub-unit within the Legal Services & Administration Unit has a duty to provide secretariat duties to Council and other related structures. Council, Mayoral Committee, Standing committees, Municipal Public Accounts Committee, Risk Management & Anti-Fraud Committee, Audit & Performance Audit Committee, Policy Advisory Committee, Budget Steering Committee, District Legal Advisors Forum, Local Labour Forum, Assets Management Committee (incorporating Fleet, ICT, Records Management, Water Services Provisioning and Facilities Management) are the structures, amongst others, to which secretariat support is mainly being provided. In order to provide secretariat support service to the Council structures, the sub-unit in liaison with the offices of chairpersons of council and various committees **prepare agendas, maintain** records of meetings (such as minutes, resolutions and attendance registers). In addition, the sub-unit ensure that all reports are stored appropriately and that systems are in place for tracking implementation of decisions. Furthermore, the sub-unit strive to maintain relations between political offices and management on governance and secretariat issues to improve information exchange and understanding of the role of Council and its structures. 1. Council has adopted Institutional Annual Calendar, purpose of which is to provide a schedule of activities and meetings that the Municipality will priorities in its operations. 2. The process of development of the Council Calendar involve a consultation process of various stakeholders and documents which are as follows: a) IDP Process Plan of the Council; b) MFMA Calendar; c) Office of the Speaker; d) Office of the Executive Mayor; e) Oversight bodies (Sec 79 Committees); f) Local Municipalities (Speaker's offices, MM's offices and other directorates); g) Management of the District Municipality 3. In consultation with the relevant chairpersons of council structures, the management make a decision about reports that must be submitted to a certain structure; 4. As soon as reports are prepared, Management submit Agenda items

Indicator Code	KPI	Indicator Descriptions
		together with the reports to the Council Support sub-unit for the purposes of the preparation of the Agenda; 5. Each item that has been submitted to the Council Support sub-unit is given an Item Number, which is sequential in nature, and thereafter accordingly listed as one of the Agenda items; 6. The Agenda contains the signatures of the chairpersons and delegated responsible support to such a structure. For example: v Council: Speaker co-signed by the Municipal Manager; v Executive Mayor co-signed by the Municipal Manager; and v Chairperson of the Committee and/ or co-signed by either the Municipal Manager, or the delegated official 7. In addition, the Agenda contains the dates, venues (whether physical or virtual) and times of the meetings together with the lists of items to be considered by a particular structure 8. Upon completion of the Agenda, the Council Support sub-unit submits same to the chairperson of a particular structure and the manager with delegated powers (be it either the Municipal Manager or section 56 Manager or chairperson of the Committee) for the purposes of signature; 9. Upon the signing of the Agenda, it is circulated to all the members and the technical support officials of a particular structure; 10. On the day of the meeting, if there is physical attendance, the Council Support team ensures that all attendees in the meeting sign the attendance register, while the chairperson of the meeting does a roll-call and also duly assisted by the Council Support team takes a record of attendees as it appears from the streaming device such as the computer screen and/ or any other electronic device; 11. Upon the declaration of the opening of the meeting, the Council Support team mechanically record proceedings for the purposes of producing minutes and resolutions at the end of the Meeting; 12. After the meeting, the Council Support team prepare minutes and resolutions for the purposes of confirmation, signatures and implementation by the delegated functionaries; 13. Upon confirmation of resolutions and minutes, the Council Support team file same, and thereafter circulate them to all the directorates for implementation purposes; 14. Before the next council/committee meeting, an update/report should be compiled and submitted to the relevant structure on the implementation of its Resolutions. . Output: v Quarterly Reports; v Notices and Agendas; v Attendance register
MTOD - 8.2	Number of Record Management projects implemented	Record Management projects focuses on the implementation of the policies to ensure that the information of the municipality is safe guarded. The two following activates will be implemented, File Plan Awareness campaigns and Records Disposal reporting.
MTOD - 8.2.1	Number of File Plan Awareness campaigns conducted	The File Plan Awareness campaigns will focus on ensuring that all directorates file documents in accordance with the approved File plan. These campaigns will be conducted on quarterly bases to different department.

Indicator Code	KPI	Indicator Descriptions
MTOD - 8.2.2	Number of Records Disposal reports compiled and submitted	Records Disposal entails identification of records for the purpose of transfer either to Provincial Archives or Destruction of Ephemeral records. A report will be compiled which will show which document were disposed, when were they disposed and in terms of which disposal authority. This reports will be conducted on a quarterly base.
KPA 2 - SERVICE DELIVERY INFRASTRUCTURE		
SDI - 4	Number of Full SANS Audit conducted in all 16 Water Treatment Works systems	Water Treatment Works systems are process systems that receives raw water and process it through application of flocculants, coagulants and disinfectants in line with set limits to make the water suitable for human consumption. The Drinking Water Standards list the determinants and corresponding limits that need to be measured in order to determine that the quality of drinking water is safe to drink. SANS 241 report will be issued by an accredited laboratory for each of the 16 WTWs. Processes to be followed: 1. annual assessment of functionality of water treatments works systems conducted 2. Procurement of service provider to conduct FULL SANS audit facilitated. 3 an appointed service provider conducts the audit. **Source documents** - preliminary report and database of all water treatment works, ToR, audit report from the service provider.
SDI - 8	Number of Process Audit review conducted in all 17 Waste Water Treatment Works	Wastewater treatment is a process used to remove contaminants from wastewater or sewage and convert it into an effluent that can be returned to the water cycle with minimum impact on the environment, or directly reused. Audit represents a comprehensive performance evaluation to review and determine whether there are design issues, deficiencies in the operation and maintenance procedures or equipment malfunctions and to propose solutions to overcome identified deficiencies, if any. Process Audit Reports will be issued for all 16 Wastewater Treatment Works. Processes to be followed: 1. annual assessment of functionality of water treatments works systems conducted 2. Procurement of service provider to conduct FULL SANS audit facilitated. 3 an appointed service provider conducts the audit. Source documents - preliminary report and database of all waste water treatment works, ToR, audit report from the service provider.
SDI - 10	% reduction of non- Revenue water	The input volume of water received at the treatmentment works will be calculated and read at the bulk meter. When the water received has been treated and put into distribution that water will be exposed to 2 losses. The Real losses and Apparent losses. Real losses are physical losses like leaks and Apparent losses are meter under-registration, theft, billing errors and unbilled water. This indicator seeks to establish these two types of losses and thereafter provide a report to that effect which will then be analysed and implemented to reduce the percentage of losses. The target is now to reduce the losses by 20% per each year. The baseline Non-Revenue Water (NRW) is at 68.2% at an estimated cost of R182 114 932.52. Process to follow: Assess the system and quantify all meters that require replacement or calibration. Comparison of the erven as per GIS with the CHDM billing information.
SDI-11	Number of Water Conservation and Demand Management	The programme will focus on the replacement of Consumer and Bulk water meters in order to quantify input volume against water put into distribution that got billed, unbilled and losses incurred in order to ascertain distribution losses

Indicator Code	KPI	Indicator Descriptions
	programmes implemented	
SDI-11.1	Number of Consumer water meter replacement Programmes implemented	The input volume of water received at the treatmentment works will be calculated and read at the bulk meter. When the water received has been treated and put into distribution that water will be exposed to 2 losses. The Real losses and Apparent losses. Real losses are physical losses like leaks and Apparent losses are meter under-registration , theft and billing errors. This indicator seeks to establish these two types of losses and put measures to reduce them by installing and replacing consumer meters. Process - 1.Obtain billing information and replace faulty meters as per the recommendations on the report ,which will then be compared with GIZ report
SDI-11.2	Number of Bulk water meter replacement Programmes implemented	The input volume of water received at the treatmentment works will be calculated and read at the bulk meter. When the water received has been treated and put into distribution that water will be exposed to 2 losses. The Real losses and Apparent losses. Real losses are physical losses like leaks and Apparent losses are meter under-registration , theft and billing errors. This indicator seeks to establish these two types of losses and put measures to reduce them by installing and replacing bulk meters. Process - 1.Conduct assessment of areas requiring bulk meter replacement or calibrations 2 . replacement or calibrations of faulty bulk meters. Source documents - master list of bulk water meters replaced, assessment report of all bulk meters
SDI - 16	**Number of Municipal Public Health Programmes implemented.**	**Municipal Public Health comprises of the following programmes namely;** **1. Food Premises** **2. Funeral Parlours & Mortuaries** **3. Sanitation structures** **4. Waste Sites** **These programmes are relevant in terms of the National Health Act 61 of 2003 which provides a framework for a structured uniform health system within the republic, taking into account the obligation imposed by the Constitution and other laws on the national, provincial and local governments regards to health services**
SDI 16.1	Number of food premises inspections conducted for compliance with Food, Cosmetics and Disinfectants Act 54 of 1972 as Amended	Food Premises Inspections for compliance within CHDM where food is being produced, processed, stored, prepared and sold for public human consumption. Process to follow: 1. A database of premises is compiled and updated regularly to capture new and closing food premises and conducting regular inspections. 2. Inspections are conducted. The source document for compiling the report is the inspection checklist and the database.
SDI - 16.2	Number of Funeral parlours & Mortuaries inspected for compliance in line with National Health Act 61 of 2003, section 32	To monitor Funeral Undertakers/Parlours/Mortuaries for compliance within CHDM through inspections of privately owned pallor's and state mortuaries. This KPI is relevant in terms of the National Health Act 61 of 2003, section 32. Process to be followed: 1. A database of funeral parlour and/or mortuary premises is compiled and updated regularly to capture new and closing premises and conducting regular inspections. The source document for compiling the report is the inspection checklist and the database. This Indicator does not talk to samples

Indicator Code	KPI	Indicator Descriptions
SDI - 16.3	Number of sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001	To monitor sanitation structures (public ablutions and households) for compliance within CHDM through inspections in line with White Paper on Basic Household Sanitation of 2001. The inspection of sanitation structures is conducted to promote health and hygiene amongst public institutions and communities to prevent possible spread of communicable diseases spread by bacteria and viruses. The source document for compiling the report is the inspection checklist.
SDI-16.4	Number of waste sites inspected in line with the District Wide Environmental Management Plan	To monitor and advise local municipalities on compliance and improvement on Waste Sites within CHDM through inspection process. The inspection of waste sites is conducted to promote compliance and technical support to local municipalities on managing their waste sites for public health and environmental protection. The source document for compiling the report is the inspection checklist.
SDI-17	**Number of Disaster Risk Management and District Fire Services Programmes implemented as per DMP & DFSP**	**Disaster management incidents- all disaster related incidents reported from the local municipality to the district call centre.** **District Fire Services Programmes aimed at capacitating and developing the District fire Services and to make the public aware of fire danger and how to combat these dangers.**
SDI-17.1.4	Number of Disaster management ward-based risk assessments conducted	The disaster management centre must conduct a comprehensive risk assessment within the municipal area of jurisdiction and in accordance with national and provincial criteria and supporting guidelines for disaster risk assessment. Process to be followed: 1. assess disaster risks at ward base level 2. risk and hazard mapping conducted 3. ward-based risk assessment report compiled
SDI-17.1.5		The disaster management centre must develop and implement minimum criteria for disaster risk management planning in the CHDM area of jurisdiction which is consistent with the national guideline to ensure adoption of uniform methodology to achieve integrated, holistic and coordinated planning. Process to be followed: 1. Review risk assessment report 2. Develop plans according to the outcomes of the risk assessment. 3. Conduct consultation at ward level 4. consolidate ward-based disaster management plan. Source documents - CHDM and National policy framework, Disaster Management Act, Approved disaster management plan, ward based assessment report
SDI-17.2.1	Number of Fire Services Trainings conducted	Firefighters at local level to be trained in firefighting according to the MSA. Act 117 0f 1998. a)The indicator description should state how performance of that indicator will be measured in terms of how data will be collected and which process will be undertaken to arrive to the source document. *(1) This program is based on a legal requirement(municipal structure act 84(1)(j). (2) Fire Staff who are not trained in basic fire program will be nominated by the local municipality who will attend the basic fire services program. (3) the content of the course will be developed internally and the attendance register of the staff attending the basic training and a report will be written by the manager of the fire services.*

Indicator Code	KPI	Indicator Descriptions
SDI-17.2.2.	Number of Fire Services Inspections conducted	To monitor premises for compliance with fire safety legislation in the CHDM area. This KPI is relevant in terms of the MSA and Fire brigade act. Process to be followed: 1. Premises will be inspected on a regularly. The source document for compiling the report is the inspection checklist. Inspections to be conducted in public places to prevent the outbreak of fires.
SDI-17.2.3	% Response to Fire services incidents reported	Fire services response - all fire related incidents are reported from the local municipality to the district call centre. The process for responding to fire services incidents will be as follows; 1. Upon receiving the reported incident the response team will be dispatched to the scene. 2. fire investigation report is compiled and reported 3. Source documents = call centre printouts, investigation report 4. Method of calculation number of incidents responded to /total number of incident reported as per the log sheet * 100)
SDI-18	**Number of Environmental Programmes implemented as per District Wide Environmental Plan**	**Environmental Programmes seeks to minimise negative impacts on the environment and promote sustainable environmental practices. Enhance community involvement in environmental management and reduce effects of Climate Change. The programme will be implemented through two programme namely; Waste management and Climate change**
SDI-18.1	Number of Waste management programme implemented in 2 local municipalities	The project brings a contribution to the overall sustainability of the area and will assist in the improvement of overall waste management in the area. To ensure the protection of the environment through effective waste management measures. The project will be implemented as follows; 1. Development of Business plan for the project 2. Engagements with the 2 Local Municipalities 3. Procurement of project equipment 3. Recruitment of project beneficiaries 4. Installation and placing of Waste equipment 5. Monitor project implementation 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = Business plan, Resolution register of Engagements, Attendance register, Appointment letter or Orders and Monitoring report. CHDM Integrated Waste Management Plan
SDI 18.3	Number of illegal dumping sites cleared and rehabilitated in the district	this program is conducted inline with the air quality management act, 2004 (Act 39 of 2004) and the CHDM AQMP to monitor compliance to all the facilities within the district. Process to follow - 1. Inspection of facilities 2. monitoring of license conditions from the licensed facilities 3. compliance notice generated and served 4. Report compiled and submitted to council structures

Indicator Code	KPI	Indicator Descriptions
SDI-18.2	Number of Climate change programmes implemented	The Climate Change Strategy seeks to provide a District Approach on how to reduce the impacts and effects of Climate Change. Promote awareness in the District with matters relating to climate change. This Climate change programme consist of a Rural Sustainable Village and Small scale wind-water pumping project that is made up of different components that are outlined in the Business Plan and terms of reference. The process for the implementation of Climate change will be as follows; 1. Monitor the implementation of the project business plan and terms of reference. 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/terms of reference each quarter 3. Source documents = monitoring reports
KPA 3 - LOCAL ECONOMIC DEVELOPMENT		
Indicator Code	**KPI**	**Indicator Descriptions**
LED-2	Number of Small town revitalization programmes implemented	The Small Town Revitalisation involves identification of catalytic interventions to promote economic development in the area. STR is based on in-depth analysis of the current socio-economic landscape of the larger area which will accommodate future infrastructural developments holistically and within the parameters of the local environment. Amongst projects identified by STR Strategy includes Paving, Street Furniture, Hawker Stalls, Greening & Beautification, direction signage, Drainage and Earth Works, Street Lights etc. Process to follow - Requests and business plans received from LM's for support on small town revitalisation projects. Provide feedback to LM's on the status of requests submitted. Project implementation plan developed and communicated with relevant LM's. Project implemented. Source document - STR Strategy, Vision 2030, EC-Provincial Infrastructure Master Plan
LED-6	**Number of Tourism development & Heritage Preservation programmes implemented**	**Tourism programmes seeks to identify, develop and market tourism opportunities for economic develop for the district. Heritage programmes seeks to identify and preserve liberation heritage sites with in the district. This programme will be implemented through Tourism development and Heritage Preservation.**
LED-6.1	Number of Tourism development programmes implemented	Those programme will be implemented in partnership with Chris Hani Area Regional Tourism Organisation (CHARTO). CHARTO assists in facilitation of the activities carried out at Local tourism Organisations in each Local Municipality. The following process will be followed : 1. SLA will be entered into with CHARTO in respect of LTO's; 2. The funds will be transferred to CHARTO; 3. The project monitoring will be done by the CHDM responsible officer on a monthly basis; 4. CHARTO will provide the quarterly report to CHDM.

Indicator Code	KPI	Indicator Descriptions
LED-6.2	Number of Heritage Preservation programmes implemented	These programme will be implemented through three initiatives namely : Sabalele Support, Preservation of Heritage sites, Heritage and Chris Hani Month . Sabalele Support refers to the continuous support CHDM provides for the operationalisation of the Multi-purpose Centre at Sabalele, Intsika Yethu LM). The other project planned is the support to other Liberation Heritage site as determined through stakeholder sessions held with LM's and other heritage development stakeholders. In respect of Sabalele Project : the SLA will be entered into with Intsika Yethu and budgeted amount will be transferred to Intsika Yethu LM; the Municipality oversees the implementation of the project and then provides quarterly reports to CHDM. In respect of the other sites: support provided for the identified sites. For Heritage Month (September 2021) and Chris Hani Month (April 2022) : The Concept documents will be developed with the list of activities and programmes to be implemented; where applicable the committees will be formed to carry out the tasks; the service providers (when required) are outsourced for the execution of the complex projects such as Jazz Festival in September and Freedom Marathon in April.
LED - 7	**Number of Forestry programmes implemented**	**Forestry programmes aims at supporting and upgrading local community project to enable their projects into business enterprises that will grow economy. This programme will be implemented through Charcoal and Nursery programmes.**
LED - 7.1	Number of Charcoal programmes supported	Provision of support (Supply with tractor) to charcoal support programmes implemented at Ngcobo LM. The activities include the following : procurement of a tractor will be facilitation; the charcoal support programme implementation will be monitored and reported on a quarterly basis
LED - 7.2	Number of Nursery programmes supported	Provision of support on the implementation of Vusi Sizwe Corporation (KwaJO) tree-nursery project. The process is as follows : There is service level agreement in place between CHDM and Intsika Yethu LM; The project coordinator employed through the SLA is responsible for day-to-day management of the project; CHDM project officer monitors the project on a monthly basis; quarterly reports are provided by the project coordinator as per the SLA between CHDM and Intsika Yethu LM.
KPA 4 - FINANCIAL VIABILITY AND MANAGEMENT		
Indicator Code	**KPI**	**Indicator Descriptions**
FMV - 1	**Number of Funded budgets and MFMA Monitoring reports compiled and approved**	**Council approved budgets and financial budget reports that are submitted council and treasury In terms of the following MFMA sections; 1) 1) Section 16(2), which state that the Mayor of a municipality must table an annual budget at a Council meeting at least 90 days before the start of the budget year. 2) Section 71 which states that the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury, the statement in the prescribed format on the state of the municipality's budget performance. 3) Section 52(d) which states that the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.**

Indicator Code	KPI	Indicator Descriptions
FMV - 1.1	Number of Funded budget compiled and approved	Municipal Finance Management Act 56 of 2003 Section 16 prescribes that the Council of a Municipality must for each financial year approve an Annual Budget for the municipality before the start of the financial year. Section 16 of the Local Government Municipal Finance Management Act (MFMA) prescribes that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year. Section 68 of the MFMA assigns the Accounting Officer the responsibility of assisting the Mayor in performing the budgetary functions assigned to the latter in terms of Chapters 4 and 7. In terms of the MFMA, section 16(2), the Mayor of a municipality must table an annual budget at a Council meeting at least 90 days before the start of the budget year. Section 17(1) of the MFMA further states that an annual budget must be a schedule in a prescribed format and further outlines the contents that should be included in such annual budget. The prescribed format is outlined in regulation 9 of the MBRR, which states that “the annual budget and supporting documentation of a municipality must be in a format specified in Schedule A and include all the required tables, charts and explanatory information”. The later paragraph is also supported by regulation 14(1) of the MBRR to ensure that municipalities table in Council a budget in a prescribed format, that is credible and realistic. The budget brought to the attention of the Mayoral Committee, recognises the funding streams of Council that have remained the same as in the previous budget years being mainly service charges for water and sanitation services and grant funding from both National Treasury and Provincial State Departments. Other revenue in addition to above is interest on investments and outstanding debtors, and sundry revenue. The expenditure of the municipality is as a result of employee related costs, councillors allowances, expenditure on operating and capital grants, transfers and grants to the municipal entity, funding for SMME’s, Contracted Services, Debt Impairment, Depreciation on Property Plant and Equipment and other expenditure that includes general expenses, IDP programmes and repairs and maintenance. Preparation of the 1st Adjustment budget - (roll-overs) is as follows: Directorates makes submission on the required roll-overs; reconciliation on the unspent grants. Item prepared to Council for noting and approval of roll-overs. Budget Section follows the below process when preparing the budget: Consult all the relevant department about their budget; Request the inputs from all the relevant departments; Prepare A Schedule; Conduct Budget Technical Committee meeting to discuss the budget; Conduct Budget Steering Committee meeting to discuss the budget; Submit the budget to Provincial Treasury for funding assessment; Prepare budget item for Mayoral Committee for recommendations to the Council; Prepare budget item for Council meeting to approve the budget, Submit the approved budget and all the necessary documentation to both Provincial and National Treasury

Indicator Code	KPI	Indicator Descriptions
FMV - 1.2	Number of MFMA Monitoring reports compiled and approved	12 Reports, Section 71 Reports, Section 52(d) C-Schedule for all three monthly reports. Reports and Section 72 Reports. Sec 71(1) of the MFMA states; "the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury, the statement in the prescribed format on the state of the municipality's budget performance. Reporting section follow the below process: Request Trial Balance from system section; Prepare journals for all grants to recognise expenditure, Prepare C Schedule and Executive Summary for Submission to Treasury. Prepare C Schedule and Executive Summary for Audit Committee, Mayoral and Council Meeting. The MFMA's Municipal Budget and Reporting Regulations Sec 28 states " The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the act." The MFMA's Budget and Reporting Regulations sec 29 states "the Mayor may table in the municipal council a monthly budget statement submitted to the Mayor in terms of sec 71(1) of the Act. If the Mayor does so, the monthly budget statement must be accompanied by a Mayor's report in a format set out in Schedule C." Sec 52(d) of the MFMA states; "the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality." The MFMA's Municipal Budget and Reporting Regulations Sec 31 states " The quarterly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the act."
FMV - 4	Percentage adherence to 30 days payment of valid invoices and payment of salaries by the due date.	All municipalities should adhere to sec 65 of MFMA, which states that all invoices should paid within 30 days on receipt of correct information. In terms of sec 66 of MFMA ,the Accounting officer of the municipality must report to council all expenditure incurred by the municipality.
FMV - 4.1	% adherence to 30 days payment of valid invoices by the due date.	All municipalities should adhere to sec 65 of MFMA, which states that all invoices should paid within 30 days on receipt of correct information. In terms of sec 66 of MFMA ,the Accounting officer of the municipality must report to council all expenditure. The process for adherence to 30 days payment of valid invoices by the due date will be as follows; 1. All invoices received are recorded in an invoice register and captured in the system 2. monthly reconciliations are prepared from the invoices registration, capturing and payment of beneficiaries
FMV - 4.2	% adherence to payment of salaries by the due date.	

Indicator Code	KPI	Indicator Descriptions
FMV - 5	**Number of GRAP Compliant Asset Registers and Inventory Management programmes implemented**	**For the asset register to be GRAP compliant, assets in the register must meet the definition of an asset, recognition & derecognition criteria. The register must be free from material errors and should be made up of prior years and current year movements. The information in the register validated through the asset verification. The process for the implementation;** **2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter** **3. Source documents =** **Inventory Management comprises of inventory recognition inventory counts or verification as means of validating inventory data and controls. The plan serves as a tool meant to provide guidance on assigning responsibilities pertaining to procurement of inventory / orders, issues, recording, safeguarding & disposal of inventory and periodic/annual financial reporting there to.** **The implementation of the plan will be measured by the periodic reports prepared as per the inventory management activities contained in the plan.**
FMV - 5.1	Number of Updated GRAP compliant Asset Registers reconciling to the General ledger	The programme deals with the compilation a new asset register for all moveable and immoveable assets in accordance with the accounting practises as prescribed by the Minister of Finance (GRAP). Reconcile the new updated asset register with the general ledger and resolving of all variances. The process for the reconciliation of GRAP compliant Asset Registers reconciling to the General ledger will be as follows; 1. Obtain the general ledger and the updated quarterly additions and disposals 2. Reconcile all the information and prepare corrective journals 3. Process relevant journals and update the asset registers accordingly 4. Source documents = general ledger, contracts management register, retention register, WIP register, capture sheets
FMV - 5.2	Number of GRAP Compliant Inventory Registers implemented	Inventory Management comprises of inventory recognition, inventory counts or verification as means of validating inventory data and controls. The process for the implementation Inventory Management programmes will be as follows; 1. conduct inventory counts and update all the current year movement in the inventory management register 2. prepare quarterly reconciliation reports 3. Source documents - general ledger, purchase invoices, inventory count sheets
FMV - 7	Number of GRAP and MSCOA Compliant Financial Management Systems programmes implemented	The GRAP is a accounting standard/principle that the municipal finance should comply with and MSCOA is municipal standard chart of accounts that is regulated by Treasury all institutions when recording and finance transaction.
FMV - 7.1	Number of MSCOA version 6.4 implemented	On a monthly a base the municipality upload or submit Data Strings to National Treasury for assessment and treasury will send back a report on any errors identified on the assessment. The unit will ensure that the uploaded the 21/22 budget is MSCOA Compliant Proof of submission and uploading will be provided accordingly

Indicator Code	KPI	Indicator Descriptions
FMV - 7.2	Number of Pay day system integration conducted	Pay day upgrade entails the aliment of line items on payday to the financial systems. The process for the integration Pay day system will conducted as follows; 1. Run a report from Pay day that generates file and dumps it to SOLAR 2. Run a report to Upload the file to SOLAR **PAYE process** 1. Collect EMP201's from Expenditure and capture to CHDM easy file account 2. For Annual submission - generate IRP5 and EMP 501
FMV - 7.3	Number of Solar modules activated	Solar modules are module that are on the Solar system which needs to be activated for users. This activation will take place in a form of providing training on those Solar models for users. The process for the activation of Solar modules will be as follows; 1. Request information from user departments 2. On receipt of information, it is uploaded on SOLAR 3. information is tested on the test database 4. if correct, to be shipped to live database for implementation 3. Source documents (contracts management register, inventory management register, creditors statements, fixed asset register)
KPA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
Indicator Code	**KPI**	**Indicator Descriptions**
GGPP - 1	Number of Communication programmes implemented	The Unit will implement two programmes namely; External communication management and Internal communication management. The two programmes aim at facilitating exchange of developmental information with municipal stakeholders whilst encouraging active citizen participation
GGPP 1.2	Number of Internal Communication Management Programme implemented	1.Internal communication management entails sharing information on various municipal initiatives affecting Internal stakeholders, through emails newsflash's, newsletters, weekly diaries and intranet . 2. Branding and Marketing entails a) Branding materials production (Produce branding material such as posters, calendars, diaries) to enhance visibility of the municipality. 3. Process to follow (internal communication): 1) Source content from various directorates 2) Attend internal events 3) Compile an article 4) design a newsletter 5) submit it for approval 6) distribute Process to follow (branding and marketing) 1) procurement facilitated 2. provide content to service provider 3) monitor development of the output
GGPP - 2	**Number of Citizen Empowerment Programmes implemented**	**1. Stakeholder engagements - Internal and External, 2. District Communication Coordination Forum,3 Speaker's Forum, 4 IGR Forum, 5 DIMAFO Forum, 6.Disaster advisory forums, 7 Environment and climate change forum, 8. Town Planners forum,9 LED forums, 10 IDP Rep forums, 11 Human Settlement forums, 12 MPAC,13 Woman Caucus, 14 MRM,15 District Initiation programme, 16Citizen Empowerment Programme.**

Indicator Code	KPI	Indicator Descriptions
GGPP - 2.1	Number of Stakeholder engagement activities implemented	Internal and External Stakeholder engagements - entails panel discussions, round tables, business breakfast or dinner sessions, meetings and Mayoral Imbizos. The process for the implementation of Stakeholder engagement activities will be as follows; 1. Source issues from various department and directorates 2. Coordinate internal stakeholders 2. Facilitate sitting of internal meetings 3. Agenda and programme developed for stakeholders meeting 4. Report is prepared and submitted to the Head of Department Source documents = Correspondence from stakeholders, events guidelines
GGPP - 2.2	Number of District Communication Coordination Forums conducted	The District Communicators (DCF) Forum is a platform for all communication specialists within the district coordinated as part of strategizing for communication to promotes collaboration for effective communication across the district. 1.This entails conducting meetings, workshops with all Communicators across the district both from LMs and Sector Departments including Entities and Parastatals. - Capacity building sessions are organised for municipal communicators to empower them with skills in different disciplines, namely; dealing with the media, management of events, website and social media platforms, graphic design, editing and proofreading, videography etc. 2. DCF sits on a quarterly basis (invitation is issued to all LM's in the district, draw up an agenda, prepare reports on the operations of the DCF for the technical IGR and DiMAFO) 3. Resolution register, attendance register, minutes
GGPP - 2.3	Number of District Speaker's Forums conducted	The District Speaker's Forum is a platform for all 6 LM's for Council Speaker's communicate programs from their respective municipalities for uniformity and alignment. The processes flows involve 1. Convene officials from all 6 municipalities located in the offices of Council Speaker's, relevant officials from EC- CoGTA, Officials from IEC, Representatives of the MRM, Representatives of the Initiation forum 2. Preparation of the issues/programmes to be discussed in the Speaker's forum 3. Lease with the District Speaker to prepare for the district speaker's forum.
GGPP - 2.4	Number of IGR Forums conducted	1. Convene 04 Technical IGR Forum (The CHDM IGR Strategy guides that quarterly, IGR Forums should sit. The Technical IGR supersedes the sitting of the Political DIMAFO. There is a flow of reporting between these forums, the DIMAFO being the higher structure; the IGR Forum stakeholders are the Sector Departments, Local Municipalities and government Entities and parastatals) 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents = Action Minutes and Attendance Register
GGPP - 2.5	Number of DIMAFO Forums conducted	Convening of quarterly meetings with all Mayors in the district
GGPP-2.6	Number of District MPAC forums conducted	Convening of quarterly meetings with members of the MPAC

Indicator Code	KPI	Indicator Descriptions
GGPP-2.7	Number of Environment and climate change forum conducted	Convening of quarterly meetings with members of the Environment Climate Change Forum of the District
GGPP - 2.8	Number of Human Settlement forums conducted	Convening of quarterly meetings with members of the Human Settlement Forum of the District
GGPP - 2.9	Number of LED forums conducted	Convening of quarterly meetings with members of the LED Forum of the District
GGPP - 2.10	Number of Spatial Planning forums conducted	Convening of quarterly meetings with members of the Spatial Planning Forum pf the District
GGPP - 2.11	Number of IDP Rep forums conducted	Convening of quarterly meetings with IDP Representative Stakeholders as per the IDP Framework and Process Plan adopted by Council
GGPP - 2. 12	Number of Technical Managers forums conducted	Convening of quarterly meetings with members of the Technical Managers Forum of the District
GGPP - 2.13	Number of MPAC reports compiled and submitted	MPAC is an oversight committee that reviews, analyse and make recommendations on the reports dealing with compliance issues to ensure Good governance. Process to follow: 1. Develop and present terms of reference for MPAC aligned to the term of Council. 2. Annual work plan is developed and submitted to Council for approval before the end of the financial year. Attached to the annual work plan is a project visit plan for infrastructural related project. The MPAC oversight committee sits on quarterly bases to unpack the issues at hand which include adhoc projects. Reports are compiled and submitted to Council for consideration
GGPP - 2.14	Number of Women Caucus activities implemented	Women Caucus - it's a section 79 of MSA 117 of 1998 committee that deals with women's issues across the district. This committee further improves and develops women capacity by way of conducting programmes and meeting on a quarterly base
GGPP - 2.15	Number of Moral Regeneration Movement activities implemented	Moral Regeneration - the programme seeks improve and construct accepted human behaviour and character This programmes takes place on a Quarterly base
GGPP - 2.16	Number of District Initiation activities implemented	District Initiations programmes - assist with monitoring of initiates in reducing the challenges arising from the season like death and complications with in the district. The Initiations programmes are conducted quarterly throughout campaigns and monitoring.

Indicator Code	KPI	Indicator Descriptions
GGPP - 2.17	**Number of Community Educational initiatives implemented**	**Public Participation - are community engagements initiated by both the community and the district by way conduction meetings/workshops or other activities.**
GGPP - 2.17.1	Number of Capacity building initiatives implemented	Capacity building are workshops and activities that seek to address issues relating to municipal administration and community empowerment for councillors, officials and members of the community. Coordinate quarterly meeting on responses to petitions. The programmes are conducted through campaigns, public education, workshops and consultations. MPAC Trainings are facilitated through the District MPAC forum to ensure that councillors from the district also benefit. Providers such as Rhodes are engaged to provide accredited training for MPAC members
GGPP 2.17.2	Number of Health and hygiene awareness campaigns conducted	Education and Training on food safety related topics to food handlers (formal and informal food handlers). This program is conducted to promote awareness on food hygiene measures and protocols to prevent incidents of food poisoning illnesses which may be fatal in some cases. The source document is the attendance register of the participants .
GGPP 2.17.3	Number of Awareness campaigns provided to food handlers	Education and Training on food safety related topics to food handlers (formal and informal food handlers)
GGPP 2.17.3.1	Number of Environmental Health calendar Days observed	The day is an observation of environmental health related topics or programs that are the national and international calendar i.e. Water week, Sanitation week
GGPP 2.17.3.2	Number of Environmental calendar Days observed	The day is an observation of environmental related topics or programs that are the national and international calendar i.e. Arbor month, wetland's day, environmental day
GGPP - 2.17.4	Number of Disaster awareness programmes conducted	Education on Environmental Health related topics to communities and schools. This program is conducted to promote awareness on health and hygiene to achieve improved livelihoods and prolonged life. Source document is the attendance register of the participants
GGPP - 2.17.4.1	Number of IDDR days observed	IDDR means International Day for Disaster Risk Reduction , a day that is commemorates on the 13 October every year to remember all those who passed away because of disasters

Indicator Code	KPI	Indicator Descriptions
GGPP - 2.17.5	Number of fire services awareness campaigns implemented	This program is to make the public aware of fire danger and how to combat these danger. a)The indicator description should state how performance of that indicator will be measured in terms of how data will be collected and which process will be undertaken to arrive to the source document. : *(1)The performance of the indicator is based on the total of fire incidence received;&* *(2) At each awareness campaigns an attendance registers will be provided.* *(3) The attendance register of each campaign will be used as the source document.* b)Describe the method of calculation to be conducted to measure that indicator. *Calculation will be awareness programs per quarter based on the attendance register per awareness campaign.(Q1=12, Q2=12,Q3=12 & Q4=12).* c)What will be the output of that indicator. *(1) The output will be the total of awareness programs conducted in numbers per quarter. (4 x 12 awareness programs per quarter = 48).The outcome will be the reductions of fires in the specific area.*
GGPP - 2.17.6	Number of Environmental management awareness campaigns conducted	The objective of the awareness programmes is to provide capacity and better understanding of sustainable environmental management practices.
GGPP - 2.17.7	Number of Customer Education and awareness campaigns conducted	the social facilitation activities will provide an analysis of the area within which the activity will be conducted and also to identify problem areas where municipal services are interrupted. The relevant stakeholders assist in resolving those problems faced by the community. Processes to follow: 1) Identify the problem area 2) Determine the solution 3) Provide an intervene. Source document - complaints management system report
GGPP - 4	**Number of Customer Care Management Programmes implemented**	**Customer Care Management is programmes aimed at creating a relationship between the municipality and the community through and feedback mechanisms. The process for the implementation of Customer Care Management Programme will be as follows;** **1. Develop customer satisfaction survey methodology and plan** **2. Conduct customer satisfaction survey data collection** **3. Conduct customer satisfaction data analysis and report development** **4. Submit final customer satisfaction report**
GGPP-4.1	Number of Customer satisfaction reports developed and submitted	Customer Care Management is programmes aimed at creating a relationship between the municipality and the community through and feedback mechanisms. The process for the implementation of Customer Care Management Programme will be as follows; 1. All reported complaints will registered and attended to within the appropriate timeframes in line with the service charter 2. escalate all complaints that have not been resolved within the timeframes for further actioning 3. Customer satisfaction report developed and submitted for actioning Source document - complaints management system report, 2018/2019 customer satisfaction report

Indicator Code	KPI	Indicator Descriptions
GGPP - 5	Number of Risk based Internal Audit Plan developed and Implemented	Development and implementation of the approved risk based internal audit operational plan, based on documented risk assessment undertaken by management at least annually. The risk based plan comprises of the following; 1. Risk based Audits 2. Mandatory audits 3. Follow up audit 4. Ad-hoc audit. 5. Consulting engagements. The process for the development and implementation of Risk based Internal Audit Plan will consider; 1. institutional and operational risks 2. inputs of HOD's and audit committee 2. Method of calculation = 1 programme will be implemented with different activities in line with the approved plan 3. Source documents = approved risk based internal audit plan, internal audit quarterly progress reports, engagement letters
GGPP - 6	**Number of Risk Management Programmes implemented**	**Risk Management is a process of identifying, assessing, prioritizing and managing risks/ threats within the institution.**
GGPP - 6.1	Number of Risk Management Monitoring report compiled and submitted.	Quarterly - risk monitoring reports are reports that the risk committee chairperson report on to the council. The process for the compilation and submission of Risk Management Monitoring report will be as follows; 1. Develop a monitoring tool for directorates to update implementation of risk mitigation measures. 2. upon receiving the monitoring tool, POE's are validated and risk management report is consolidate 3. risk management report is submitted to risk management committee for consideration 4. Risk assessment conducted
GGPP - 6.2	Number of Anti-fraud and Corruption initiative conducted	Anti-fraud and Corruption initiative entails preventing, detecting and response to fraud instances within the institution. An Anti-fraud and Corruption assessment session will be conducted to give an update on the institutions fraud and corruption status which then be submitted to the risk committee. The process for the conducting Anti-fraud and Corruption initiative will be as follows; 1. Conduct awareness 2. Declaration of interest by Councillors and employees 3. Source documents = Awareness (Newsletters, emails, noticeboard), Report on declarations
GGPP - 6.3	Number of Risk Assessments conducted	The institution is not expected to have capacity to deal with all its risk therefore, the risk assessment helps top prioritize the most critical risk and ultimately develop mitigation measures. The process for the implementation of risk assessment will be as follows; 1. identification of objectives from the draft IDP 2. identification of strategic and operational risks threatening the achievement of the IDP objectives 3. rating of the risk in terms of impact and likelihood 4. identification of the existing controls intended to minimise the risk 5. assess the effectiveness of the existing controls 6. identification of action plans to improve the existing controls 2. Method of calculation = 1 programme will be implemented with different

Indicator Code	KPI	Indicator Descriptions
		activities as stipulated in the Business plan/proposal each quarter 3. Source documents
GG-PP - 6.4	Number of compliance monitoring reports compiled and submitted	Compliance monitoring reports are compiled and submitted to the risk committee. The process for the compilation and submission of Compliance Monitoring reports will be as follows; 1. Develop a monitoring tool for directorates to update implementation of compliance requirements applicable to each directorate. 2. upon receiving the monitoring tool, POE's are validated and compliance monitoring report is consolidated 3. compliance monitoring report is submitted to risk management committee for consideration
GGPP - 7	**Number of PMS Programmes Implemented**	**PMS programmes are aims at reviewing, monitoring and improving performance systems of the municipality as per the framework**
GGPP - 7.1.	**Number of Organisational Performance Management Programmes Implemented**	**Organisational and Individual Performance Management are the two programmes that will be implemented to measure and evaluate the organisations performance against its intended outcomes and outputs.**
GGPP - 7.1.1	Number of Quarterly Performance Reviews conducted	Quarterly - performance reviews are done in order to ensure that early warnings of underperformance are detected and that mechanisms are put in place where such underperformance is recorded. This reviews are conducted per department by way of submission of a report and evidence that supports the report.
GGPP - 7.1.2	Number of SDBIP developed and submitted	The municipality develops a Service Delivery and Budget Implementation Plan (SDBIP) on an annual basis, which is to give effect to the Integrated Development Plan (IDP) and also budget of the municipality. This document must be signed by the Mayor 28 day after the approval of the IDP and Budget. It provides the basis for measuring performance in the delivery of services. After six months of the financial year the municipality must assess and review the performance of the institution to determine whether there is a need to revise its SDBIP in order to meet the targeted goals.

Indicator Code	KPI	Indicator Descriptions
GGPP - 7.1.3	Number of Statutory performance reports compiled and submitted	Every municipality is regulated to produce to statutory performance reports (Draft annual report, draft annual performance report) These reports seeks to provide a record of the activities that the municipality has undertaken during the year under review and also provides a report of the performance of the municipality against the budget, to assess the extent to which the priorities of Council were implemented and which were achieved. The report will be developed by the unit and submitted to council for approval and to the office of the Auditor General.
GGPP - 7.2	Number of Individual Performance Management Programmes Implemented	Section 23 of R805 prescribes that a municipal manager and a manager accountable to the municipal manager, must sign a performance agreement. Such an agreement must be aligned to the municipality's integrated development plan (IDP) and the service delivery and budget implementation plan (SDBIP). Furthermore, it is prescribed that such an agreement must specify accountabilities and allow for continuous monitoring and measurement of performance against set targeted outputs. Such an agreement, the regulations prescribe, must be used as a basis for assessing whether an employee has met the performance expectations applicable to his/her job. When such an assessment is undertaken, and in an event that the employee performance was outstanding, such an employee must be rewarded appropriately
GGPP - 8	Number of Special Programmes implemented	Implementation of HIV,TB and STI's ,SPU Mainstreaming and Youth Development
GGPP - 8.1	Number of HIV,TB and STI's programmes implemented as per SPU calendar and HIV,TB and STI's implementation plan	Implementing HIV, TB and STIs programmes as per the SPU Calendar of events and HIV,TB and STI's implementation plan per quarter. Process to be followed 1. Development of the implementation plan. 2. Engagement with relevant stakeholders (data acquisition) 3. Data analysis 4. Planning of the programme 5. Conducting the event 6. Follow-up's with stakeholders (feedback)
GGPP - 8.2	Number of Mainstreaming Programmes for Designated Groups implemented as per SPU calendar	Coordinating Special Programmes mainstreaming targeting the needs of designated groups in line with the SPU Calendar. Process to be followed 1. Development of the implementation plan. 2. Engagement with relevant stakeholders (data acquisition) 3. Data analysis 4. Planning of the programme 5. Conducting the event 6. Follow-up's with stakeholders (feedback)
GGPP - 8.3	Number of Youth development programmes implemented as per SPU calendar	Implementing Youth development t programmes as per the SPU calendar. Process to be followed 1. Engagement with relevant stakeholders (data acquisition) 2. Data analysis 3. Planning of the programme 4. Conducting the event 5. Follow-up's with stakeholders (feedback)
GGPP - 9	**Number of Integrated Service Delivery programmes implemented**	**Implementation of Integrated Service Delivery and Social facilitation programmes**

Indicator Code	KPI	Indicator Descriptions
GGPP - 9.1	Number of Ward War rooms Programmes supported as per Integrated Service Delivery Model	Implementing Integrated Service delivery- are service delivery day programmes implemented in communities in partnership with other stakeholders or sessions in which war room stakeholders are capacitated on functionality. This programme ensure that war rooms are supported to ensure functionality. The process for supporting Ward War rooms initiative as per Integrated Service Delivery Model will be as follows; 1. Ward profile per ward developed 2. Recruitment of ward room facilitators and their assistants facilitated 3. Facilitate sitting and capacitation of ward war rooms and ward war room committee members per ward 4. Source documents - ISDM, LM IDP's, Ward Based Plans
GGPP - 9.2	**Number of Social facilitation Programmes implemented as per Integrated Service Delivery Models**	**Social facilitation is a process used for promoting effective community participation through awareness meetings, capacity building and monitoring during project cycle using infrastructure grants. This programme will be implemented through three grants funding sources namely;** **1. MIG** **2 RBIG** **3.WISG**
GGPP - 9.2.1	Number of MIG Social facilitation programmes implemented	Social facilitation is a process used for promoting effective community participation through awareness meetings, capacity building and monitoring during project cycle using MIG. The process for the implementation of MIG Social facilitation programmes will be as follows; 1. Community mobilization 2. Capacity building. 3. Facilitate sitting of PSC meetings. Monitor compliance with integrated service delivery model 3. Source documents = minutes of community meetings, project steering committee meetings, capacity building reports and attendance registers
GGPP - 9.2.2	Number of WSIG and RBIG Social facilitation programmes implemented	Social facilitation is a process used for promoting effective community participation through awareness meetings, capacity building and monitoring during project cycle using WSIG and RBIG. The process for the implementation of WSIG and RBIG Social facilitation programmes will be as follows; 1. Community mobilization 2. Capacity building. 3. Facilitate sitting of PSC meetings. Monitor compliance with integrated service delivery model 3. Source documents = minutes of community meetings, project steering committee meetings, capacity building reports and attendance registers 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents =

Indicator Code	KPI	Indicator Descriptions
GGPP - 10	Number of Municipal Support programmes implemented as per Municipal Support Model	As per the Municipal Support Framework, a municipal support plan will be implemented to support all 6 local municipalities. Each quarter there will be a programme to be implemented according to the plan and requests from LM. The support could be financial support or technical expertise support from the District's own capacity. The process for the implementation of Municipal Support programmes as per Municipal Support Model will be as follows; 1. A submission from a municipality is received from the municipality seeking assistance and support 2. The district identifies intervention programmes in support of municipalities 3. Support plan is developed and implemented per quarter in response to submission received and/or intervention identified 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter
GGPP-12	**Number of Sector plans developed , reviewed and implemented**	**Sector plan is a guiding plan that is developed and reviewed for each specific sector within the municipality and adopted by council.**
GGPP-12.1	Number CHDM 2021-2022 IDP reviewed and adopted	IDP it's a guiding plan for the development within the municipal jurisdiction. It is a five year plan that is developed and reviewed annually by municipal council. The process for the development and approval of CHDM 2022-2027 IDP will be as follows; 1. A framework and process plan for the development of the IDP 2022/27 will be developed and presented to council structures and council for adoption 2. An analysis report will be developed in consultation with LM's, Stats SA and other relevant stakeholders 3. Draft IDP will be presented to Council structures and council for adoption 4. Consolation the draft IDP with stakeholders. Submission of the final draft to Council structures and Council for approval Source document: Stats SA reports, Vision 2030, 2017-2022 IDP, IDP Framework 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents
GGPP-12.2	Number of Water Service Development Plan reviewed and approved	A plan that outlines the water and sanitation backlogs per local municipality and includes capital plan that provides timeframes and budgets for individual projects to be implemented. The process for the review and approval of Water Service Development Plan will be as follows; 1. Procurement of service provider facilitated 2. Consultation with local municipalities and stakeholders on water services priorities 3. Presentation of water services priorities to relevant council structures. 4. Presentation of Draft WSDP. Approval of Draft WSDP facilitated 4. Source documents = draft IDP, vision 2030

Indicator Code	KPI	Indicator Descriptions
GGPP-12.3	Number of District Recycling Strategy developed	The CHDM IWMP is a tool which seeks to optimize waste management in the district by maximizing efficiency and minimizing financial costs and environmental impacts. The District Recycling Strategy further seeks to enhance the implementation of the IWMP and waste management services in the District. Furthermore it provides for innovative measures to improve the economic component of the waste sector in the District. The process for the development of District Recycling Strategy will be as follows; 1.Data collection on existing recycling initiatives will be conducted and a draft situational analysis report will be consolidated. 2. Relevant stakeholders will be consulted on the Draft Situational analysis report and the final reported will be finalised. 3. A draft Recycling strategy with goals ,objectives, strategies and an implementation plan will be developed, utilizing the situational analysis report as a guiding document. 4. The Draft Recycling strategy will undergo a consultation process (i.e. local municipalities, business sector - recyclers, sector government departments etc) before it can be adopted by Council. 4. Method of calculation = 1 recycling strategy developed. 3. Source documents = CHDM Integrated Waste Management Plan, National Environmental Management Waste Act (Act No.59 of 2008), National Waste Management Strategy, CHDM Environmental Management Plan, Provincial Recycling Strategy
GGPP-12.4	Number of Integrated Stakeholder Management Plan developed	Integrated Stakeholder Management Plan - seeks to ensure integration of district wide stakeholder engagement activities. The process for the implementation of the integrated stakeholder management plan 1. Identify issues from the approved plan for implementation 2. Coordinate internal stakeholders 2. Facilitate sitting of internal meetings 3. Agenda and programme developed for stakeholders meeting 4. Report is prepared and submitted to the Head of Department Source documents = Approved Integrated Stakeholder Management plan, events guidelines 3. etc 2. Method of calculation = 1 programme will be implemented with different activities as stipulated in the Business plan/proposal each quarter 3. Source documents =

Indicator Code	KPI	Indicator Descriptions
GGPP-12.5	Number of Protocol and Etiquette policy and Implementation Plan developed	Protocol and Etiquette policy and Implementation Plan - seeks to uphold standards and establish proper handling of dignitaries in official functions, activities and events top project a positive image of the district. The process for the implementation of Protocol and Etiquette policy and Plan will be as follows; 1. Soliciting government circulars on Protocol and Etiquette policy related updated 2. Ensuring that Protocol and Etiquette policy imperatives are observed at all municipal events 3. To facilitate training/workshop, a correspondence generated to the Office of the Premier to provide training/workshop to the newly elected council, develop course content and draw up a programme for training. 4. Report prepared and submitted to the HoD 4. Source documents = Standing rules of order of Council,
GGPP-12.6	Number of PMS Framework reviewed and approved	The PMS framework describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the different role players. This framework will be reviewed by council annually.
GGPP - 12.7	Number of District Fire Services operational plan developed	The district fire service standard operational plan seeks to introduce, maintain and improve personal conduct, team work and effective delivery of fire services to vulnerable communities within the jurisdiction of CH district municipality. This plan will improve the image of fire services through guidance to professionally execute duties, functions and responsibilities towards realizing the vision and mission of CHDM, local municipalities and formalization of mutual agreements with neighbouring municipalities. Process to be followed: 1. (1) Draft plan developed and submitted to Council structures and council for noting. (2) Draft plan presented to stakeholders 6 local municipalities and relevant stakeholders for consultation. (3) Final draft plan presented to Council structures and council for adoption. (1) The output will be an adopted fire services operational plan. Source document - Fire brigade Act, National Disaster Management Act, Approved standard operational procedure and plans from neighbouring district municipalities.
GGPP - 12.8	Number of CHDM Community Fire safety by- law developed and adopted by Council	The by -law will address all public safety issues relating to fires in the entire district of Chris Hani. a)Processes to follow: (1) Draft by law developed and submitted to Council structures and council for noting. (2) Draft by-law presented to stakeholders for consultation. (3) Final draft by-law presented to Council structures and council for approval. (1) The output will be an approved community fire safety by law. Source document - Fire brigade Act, National Disaster Management Act, Approved by-laws from neighbouring district municipalities, draft Fire services operational plan

4. AUDITED ANNUAL PERFORMANCE REPORT – OPERATIONAL SDBIP

AUDITED ANNUAL PERFORMANCE REPORT - OPERATIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2021/22 FINANCIAL YEAR											
Priority Area	**Measurable Objectives**	**Indicator Code**	Programme Budget Allocation	**Baseline**	**Performance Report 2020/2021**		**Performance Report 2021/2022**				**C u st**
					Annual Target 2020/2021	**Actual Performance**	**Revised SDBIP Annual Target 2021/2022**	**(1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)**	**Variances (Reason for Non, under/Over Achievement)**	**In case of non-achievement provide Remedial (Corrective Action)**	
KPA 1: MUNICIPAL TRANSFORMATRION AND INSTITUTIONAL DEVELOPMENT							**Weight: 20%**				
BROAD STRATEGIC OBJECTIVE 1: To Establish and Maintain a Skilled Labour Force Guided by Policies to Function Optimally Towards the Delivery of Services to Communities											
Integrated Human Resources Management	To Attract, Retain and Build a productive workforce	**MTOD - 1**		**9 Integrated Human Resource Management Programmes implemented**	**04 Integrated Human Resource Management Programmes by 30 June 2021**	**Refer to MTOD-1 to MTOD-1.4 for actual performance**	**03 Integrated Human Resource Management Programmes by 30 June 2021**	**Refer to MTOD 1.1 - 1.4 for actual achievement**	**Refer to MTOD 1.1 - 1.4 for actual achievement**	**Refer to MTOD 1.1 - 1.4 for actual achievement**	**Director: Corporate Services**
		MTOD-1.1	700 000,00	1 Skills Development Plan Developed and implemented	1 Skills Development Programme implemented by 30 June 2021	**Achieved.** 10 Workplace Skills plan trainings implemented	1 Skills Development Plan Developed and implemented by 30 June 2022	**1 Skills Development Plan Developed and implemented by 30 June 2022.**			Director: Corporate Services

MTOD - 1.2		1 Labour Relations Programme implemented	1 Labour Relations Programme implemented by 30 June 2021	**Not Achieved.** 1 Labour Relations Programme implemented (Q1 - Impact of Covid-19 in the workplace, Q2 Code of conduct for municipal employees, Initiating and Chairing Disciplinary hearings). Managing Conflict in the workplace not implemented	1 Labour Relations Programme implemented by 30 June 2022	**1 Labour Relations Programme implemented (Awareness on workplace Discrimination & Standard of conduct, Managing absenteeism in the workplace and Workplace discipline and incapacity conducted)**			Director: Corporate Services
MTOD-1.2.1			Number of Local Labour Forums implemented by 30 June 2021	**Achieved.** 5x LLF meetings conducted (4x ordinary LLF and 1x Special LLF). Matters of mutual interests necessitated extensive consultations	4 Local Labour Forums implemented by 30 June 2022	**Achieved. 10 Local Labour Forums implemented by 30 June 2022**			Director: Corporate Services
MTOD - 1.3			**01 Human Resource Management programmes implemented by 30 June 2021**	**Refer to MTOD1.3.1 to MTOD-1.3.4**	**1 Human Resource Management programmes implemented by 30 June 2022**	**Refer to MTOD 1.3.1 to 1.3.4 for actual achievement**	**Refer to MTOD 1.3.1 to 1.3.4 for actual achievement**	**Refer to MTOD 1.3.1 to 1.3.4 for actual achievement**	**Dir: Corporate Services**

		MTOD-1.3.3	OPEX		6 departmental engagements on review and writing of job description held by 30 June 2021	**Achieved.** 6 departmental engagements on review and writing of job description held by 30 June 2021.	6 directorates supported on review and writing of job descriptions by 30 June 2022	**Achieved : 6 directorates supported on review and writing of job descriptions by 30 June 2022. Assessment Report on number of job descriptions written/reviewed. Awareness conducted on job description writing & 2 directorates supported on the job descriptions written/reviewed. 4 directorates supported on the job descriptions written/reviewed, 2 directorates supported on the job descriptions written/reviewed**			Director: Corporate Services
		MTOD-1.3.4	OPEX	04 Provisional Outcomes Report submitted to Provincial Audit Committee	04 Provisional Outcomes Report submitted to Provincial Audit Committee by 30 June 2021	**Achieved.** 04 Provisional Outcomes Report submitted to Provincial Audit Committee by 30 June 2021	04 Provisional Outcomes Report submitted to Provincial Audit Committee by 30 June 2022	**Achieved: 04 Provisional Outcomes Report submitted to Provincial Audit Committee by 30 June 2022**			Director: Corporate Services

		MTOD-1.4	OPEX		03 Middle Managers Individual Performance Assessment reports compiled and submitted by 30 June 2021	**Not Achieved.** Awaiting institutional processes and alignment. Conduct assessment and reviews quarterly	01 Middle Managers Individual Performance Assessment and; 3 review reports compiled and submitted by 30 June 2022	**Not Achieved. 1. Accountability Agreements (55): The following submission were done by directorates: SMS - 19, Engineering - 13, BTO - 9, Health and Community Services - 4, IPED - 2, Corporate Services - 8. Assessment tools (53): SMS (19), Corporate Services (8), IPED (2), BTO (9), Engineering (13), IPED (2)**	**Not all Managers assessments were conducted**		Director: Strategic Management Services
Integrated Health, Wellness and Safety		**MTOD-2**		**03 Integrated Health, Wellness Mainstreaming and Occupational Health and Safety Programmes implemented**	**03 Integrated Health, Wellness Mainstreaming and Occupational Health and Safety programmes implemented by 30 June 2021**	**Refer to the indicator MTOD 2.1 to MTOD 2.3 for actual performance**	**03 Integrated Health, Wellness Mainstreaming and Occupational Health and Safety programmes implemented by 30 June 2022**	**Refer to MTOD - 2.1 to 2.3 for actual achievement**	**Refer to MTOD - 2.1 to 2.3 for actual achievement**	**Refer to MTOD - 2.1 to 2.3 for actual achievement**	**Director: Corporate Services**

MTOD 2.2	200 000,00	4 Health management programmes	4 Health management programmes implemented by 30 June 2021	**Achieved.** 4 health management programmes implemented (educational programme on prevention and management of illnesses [Covid 19 related], awareness programme on prevention and management of chronic illnesses and diseases, awareness programme on prevention and management of mental illness; awareness programme on prevention and management of incapacity and disability.	4 Health management programmes implemented by 30 June 2022	**Achieved: 4 Health management programmes implemented (awareness programme on prevention and management of chronic illnesses and diseases; on domestic violence; on prevention and management of mental illnesses and on prevention & management of incapacity and disability)**			Director: Corporate Services
MTOD 2.3			1 Occupational Health and Safety management programmes implemented by 30 June 2021	Refer to MTOD 2.3.1 - 2.3.4 for actual achievement	1 Occupational Health and Safety management programmes implemented by 30 June 2022	**Refer to MTOD - 2.3.1 to 2.3.4 for actual achievement**	**Refer to MTOD - 2.3.1 to 2.3.4 for actual achievement**	**Refer to MTOD - 2.3.1 to 2.3.4 for actual achievement**	Director: Corporate Services

		MTOD 2.3.1		2 Occupational Health and Safety education & awareness implemented	2 Occupational Health and Safety education & awareness conducted by 30 June 2021	**Achieved.** 2 Occupational Health and Safety education & awareness conducted (2 Occupational Health and Safety education & awareness conducted (COVID 19) at Komani, Sakhisizwe satellite workplace and; Occupational Health and Safety education & awareness (Covid 19) conducted at Komani Satellite Workplace.	4 Occupational Health and Safety education & awareness conducted by 30 June 2022	**04 Occupational Health and Safety education & awareness conducted (1 Occupational Health and Safety education & awareness (COVID 19) at Whittlesea, Molteno, Sterkstroom satellite workplace, Revenue Services and Supply Chain Management Services (BTO), Intsika Yethu satellite workplace, prevention and management Injury On duty/ Occupational illnesses for managers, supervisors, shop stewards and administrators)**			Director: Corporate Services

		MTOD 2.3.2		1 Medical surveillance and Vaccination programme implemented	4 Medical assessments and Vaccination initiatives implemented by 30 June 2021	**Achieved.** 4 Medical assessments and Vaccination Programme Implemented at Engcobo, Intsika Yethu Sakhisizwe, Emalahleni and Enoch Mgijima satellite workplaces	1 Medical surveillance and Vaccination programme implemented by 30 June 2022	**Achieved : 1 Medical surveillance and Vaccination programme implemented at Engcobo and Intsika Yethu satellite workplaces & 1 Medical surveillance and Vaccination programme Implemented at Sakhisizwe and Emalahleni satellite workplaces, 1 Medical surveillance and vaccination programme implemented for Inxuba Yethemba and Enoch Mgijima satellite workplaces**			Director: Corporate Services

		MTOD 2.3.3	1 000 000,00	6 Satellite Offices provided with Personal Protective Clothing and hygiene consumables	6 Satellite Offices provided with Personal Protective Clothing and hygiene consumables by 30 June 2021	**Not achieved.** 6 satellite offices provided with PPE & hygiene consumables, except waders which could not be provided for 5 satellite offices. Inxuba YeThemba satellite is the only area which waders were provided. Hygiene consumables were provided to all 6 satellite offices. Non - responsiveness from the market and funding challenges. To advertise for the service in the next financial year.	6 Satellite Offices provided with Personal Protective Clothing and hygiene consumables by 30 June 2022	**Not Achieved : 6 Satellite Offices provided with Personal Protective Clothing and hygiene consumables. Waders were distributed to Enoch Mgijima in the first quarter. A service provider was appointed in November 2021 (Ifeanyi) for the waders for other satellite offices but delivery will be done in phases (December 2021 and January2022) due to holiday recess period, closing of some suppliers and limited sizes in stock from suppliers. Procurement of PPE (overalls) was not achieved .Procurement processes were initiated through the RT 64 contract. No service provider has been appointed due to slow response from service providers. Hygiene consumables were distributed to Emalahleni, Engcobo, Inxuba Yethemba and Sakhisizwe water services. Distribution of waders for Ngcobo, Intsika Yethu, Emalahleni, Sakhisizwe, Inxuba Yethemba water**	**Procurement regulations that were restricting processes for procuring goods that are above R30 000 and the non - response from service providers on Transversal contract**	**To be finalised in the next financial year**	Director: Corporate Services

								services and hygiene consumables. PPE distributed for water services Enoch Mgijima, Emalahleni, Sakhisizwe , Inxuba YeThemba, Ngcobo, Intsika Yethu and meter readers . No hygiene consumables distributed . PPE for Fire fighters was not provided due to procurement processes			

		MTOD 2.3.4			1 Occupational Health and Safety plan developed and implemented in relation to Covid 19 by 30 June 2021	**Not Achieved.** Facilitation of SCM procurement processes done & Appointment of service provider could not proceed due to non-responsiveness on the market. Service Provider not appointed as the Bid was cancelled by the BAC due to non-responsiveness on the side of the market. Analysis of the report requested and explore alternatives for implementation in the 1st 6months of the next financial year	1 Occupational Health and Safety plan developed and implemented in relation to Covid 19 by 30 June 2022	**Achieved. An OHS plan in relation to COVID-19 was developed internally and consultation processes are underway. there was no procurement processes. COVID-19 programmes are also implemented such as screening, education and awareness, disinfecting and cleaning , distribution of sanitisers and reporting of COVID-19 cases. 1 case from MMO was reported and disinfecting was done. Implementation of the Occupational Health and Safety plan developed and implemented in relation to Covid 19**			Director: Corporate Services
Asset Management	To ensure effective Management of Municipal assets.	MTOD - 3	Opex	172 Vehicles Managed	190 Municipal Vehicles Managed by 30 June 2021	Refer to MTOD 3.1 - 3.2 for actual achievement	172 Municipal Vehicles Managed by 30 June 2022	**Refer to MTOD 3.1 - 3.2 for actual achievement**	**Refer to MTOD 3.1 - 3.2 for actual achievement**	**Refer to MTOD 3.1 - 3.2 for actual achievement**	Director: Corporate Services

		MTOD 3.1			100% Municipal vehicles maintained as per dealer specification and on request by user by 30 June 2021	**Achieved.** 100% Municipal vehicles maintained as per dealer specification and on request by user	100% Municipal vehicles maintained as per dealer specification and on request by user by 30 June 2022	**Achieved. 100% Municipal vehicles maintained as per dealer specification and on request by user**			Director: Corporate Services
		MTOD 3.2			2 Municipal Vehicles acquired by 30 June 2021	**Achieved.** Service Delivery Imperatives	5 Municipal Vehicles acquired by 30 June 2022	**Not Achieved: Achieved Acquisition of 2 Municipal vehicles. Acquisition of 3 Municipal Vehicles was unsuccessful. Quotations were sourced from accredited RT57 service providers. Unfavourable responses from all were received.**	**Challenges with the stock levels in the country, budget & Contractual issues on transversal contract**	**Vehicles to be delivered in the 1st quarter of the next financial year.**	Director: Corporate Services

		MTOD - 5	OPEX	01 Facility Management Plan developed	01 Facility Management Plan developed and implemented by 30 June 2021	**Achieved.** 1.Assessment for municipal buildings has been conducted 2.Facility management plan has been developed. 3. Sterkstroom Platforms are completed in preparation for installation of mobile offices 4. Mobile offices were supplied; delivered and installed at the Sterkstroom water services offices on 22 April 2021	01 Facility Management Plan implemented by 30 June 2022	**Achieved- Facility Management Plan has been implemented by 30 June 2022. ICT Server Room; Disaster Management Centre and BTO Kitchen door has been repaired. Electricity at the Mayoral Residence has been maintained and upgraded. Electricity at Disaster Management Centre, Cottages has been maintained. Boom Gate at Disaster Management Centre has been repaired. Grass cutting and clearing of bushes has been done at Fleet Workshop.**			Director: IPED
Asset Management	To ensure effective Management of Municipal assets.	MTOD - 6		None	04 Cluster Security Management Plans developed and Implemented by 30 June 2021	**Achieved.** Facilitated SCM procurement process & Appointment of Service Provider and Security Risk Assessments conducted	04 Cluster Security Management Plans developed and Implemented by 30 June 2022	**Not Achieved**	**The terms and conditions of the contracts with the security management providers have yet to be finalised. The security management plans have yet to be developed.**	**Security management plans are to be developed after the terms and conditions of contracts have been finalised.**	Director: Corporate Services

ICT		**MTOD - 7**		**ICT work study report in place**	**01 ICT programmes implemented by 30 June 2021**	**Refer to MTOD 7.1 - 7.3 for actual achievement**	**01 ICT programmes implemented by 30 June 2022**				**Dir: Corp Serv**
		MTOD - 7.2	R622 180,00		1 Disaster Recovery Plan implemented by 30 June 2021	**Not achieved:** Business plan developed and SCM Procurement process completed. DR deployment has been started and only 81 devices have been backed up on DR. The bid was adjudicated on the 07th June 2021 which was the only few days before the financial year-end. 1 Disaster Recovery Plan to be implemented by 30 Sept 2021	1 Disaster Recovery Plan implemented by 30 June 2022	**Achieved: 1 Disaster Recovery Plan implemented. (Disaster recovery, Backup, and business continuity, Disaster recovery testing and reporting implemented**			Director: Corporate Services

Information and Communication Technology	To ensure effective Management of Municipal assets.	MTOD-7.3	R300 000,00		1 Public Wi-Fi hotspot implemented by 30 June 2021	**Not Achieved.** 1 Public Wi-Fi hotspot could not be implemented as planned, SCM procurement process was facilitated but appointment of Service Provider not achieved, Adjudication of the bid was done on the 30 June 2021 which is the last day of the financial year.	1 Public Wi-Fi Hotspot implemented by 30 June 2022	**Achieved: 1 Public Wi-Fi hotspot implemented. Public Wi-Fi usage monitored and reported**			Director: Corporate Services
Administration	To ensure effective administration support and legal services	**MTOD - 8**		**01 Administration Support and 01 Legal Services Programmes implemented**	**01 Administration support and 01 Legal Services Programmes implemented by 30 June 2021**	**Refer to MTOD 8.1 - 8.2 for actual achievement**	**01 Administration support and 01 Legal Services Programmes implemented by 30 June 2022**	**Refer to MTOD - 8.1 to MTOD - 8.3 for actual achievement**	**Refer to MTOD - 8.1 to MTOD - 8.3 for actual achievement**	**Refer to MTOD - 8.1 to MTOD - 8.3 for actual achievement**	**Director: Corporate Services**

		MTOD - 8.1			**1 Administrative support programme implemented by 30 June 2021**	**Refer to MTOD 8.1 .1 - 8.1.2 for actual achievement**	Secretariat Administration support projects implemented to all scheduled (and on request by convenor) meetings of Council Structures convened by 30 June 2022	**Achieved: Secretariat Administrative support projects implemented to all scheduled (and on request by convenor) to meetings convened by Council Structures**			Director: Corporate Services
		MTOD - 8.2	OPEX		**02 Record Management projects implemented by 30 June 2021**	**Refer to MTOD 8.1.2.1 - 8.1.2.2 for actual achievement**	02 Record Management projects implemented by 30 June 2022	**Refer to MTOD 8.2.1 - 8.2.2 for actual achievement**	**Refer to MTOD 8.2.1 - 8.2.2 for actual achievement**	**Refer to MTOD 8.2.1 - 8.2.2 for actual achievement**	Dir: Corp Services
		MTOD - 8.2.1	OPEX		06 File Plan Awareness campaigns conducted by 30 June 2021	**Achieved.** 06 File Plan Awareness campaigns conducted	06 File Plan Awareness campaigns conducted by 30 June 2022	**Achieved: 06 File Plan Awareness campaigns conducted**			Dir: Corp Services
		MTOD - 8.2.2	OPEX		04 Records Disposal reports compiled and submitted by 30 June 2021	**Achieved.** 04 Records Disposal reports compiled and submitted	04 Records Disposal reports compiled and submitted by 30 June 2022	**Achieved: 04 Records Disposal reports compiled and submitted (Identifying and Listing of Records for Disposal process, Disposal of Records, Identifying and Listing of Records for Disposal process, Disposal of Records)**			Director: Corporate Services
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT							**Weight: 20%**				
BROAD STRATEGIC OBJECTIVE 2 :To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.											

WSA	**To ensure Universal coverage of Water and Sanitation by 2022**	SDI - 4	OPEX	01 Full SANS Audit conducted in all 15 Water Treatment Works systems	01 Full SANS Audit conducted in all 15 Water Treatment Works by 30 June 2021	**Not Achieved.** Only two WSPs conducted SANS 241. SCM processes could not be completed because the votes did not have budget. A tender was issued for a 3yr contract vs quotation arrangement that was currently. The procurement process was due to be completed by Dec 2021 due minimal responses from responses as only 3 responded out of the 5 that was expected	01 Full SANS Audit conducted in functional 16 Water Treatment Works systems by 30 June 2022	**Not Achieved 01 Full SANS Audit conducted in functional 16 Water Treatment Works systems by 30 June 2022. Procurement of a service provider to conduct FULL SANS audit facilitated. Audit conducted for 16 Water Treatment Works not achieved.**	**Budget constraints National Treasury Moratorium**	**Plants where full SANS was conducted will be prioritised for the first quarter.**	Director: Engineering and Technical Services

WSA	**To ensure Universal coverage of Water and Sanitation by 2022**	SDI - 8	OPEX	01 Process Audit review conducted in all 17 Waste Water Treatment Works	01 Process Audit review conducted in all 2 Waste Water Treatment Works by 30 June 2021	**Achieved.** 1 Process Audit conducted in all 2 Waste Water Treatment Works by 30 June 2021	01 Process Audit review conducted on 16 Waste Water Treatment Works Systems by 30 June 2022	**Not Achieved 01 Process Audit review conducted on 16 Waste Water Treatment Works Systems by 30 June 2022. 1. Assessment of functionality of waste water treatments works systems conducted. 2. Procurement of a service provider to conduct FULL SANS audit facilitated 3. Audit conducted for 16 Waste Water Treatment Works**	**No budget to implement the Audit**	**Process Audit will be considered for the next financial year. Budget will be made available**	Director: Engineering and Technical Services

WSA	To ensure Universal coverage of Water and Sanitation by 2022	SDI - 10	OPEX	Nil	10% reduction of Non-Revenue water by 30 June 2021	**Not Achieved.** Billing department engaged to obtain information. Although the report is not confirmed, the municipality is currently 31.4% reduction in non-revenue water. A number of measures have been implemented in as far as installation of bulk and consumer meters. Incomplete and inaccuracy of billing and meter information contributed to the non-achievement of the target. As a corrective measure, engagements with revenue office to make corrections and be able to produce	20% reduction of Non- Revenue water by 30 June 2022	**Not Achieved 20% reduction of Non-Revenue water by 30 June 2022. 1. Assessment of the system to identify meters that require replacement or calibration. Comparison of the erven as per GIS with the CHDM billing information, 2. Comparison of the erven as per GIS with the CHDM billing information.**	**Procurement processes to facilitate procurement of a service provider to conduct water balancing was not achieved owing to budgetary constraints. Water Balance calculations information not complete.**	**Water Balancing calculations done inhouse.**	Director: Engineering and Technical Services

						reasonable calculations were agreed upon					
		SDI-11	700 000,00	02 Consumer and Bulk meter replacement programmes implemented	02 Consumer and Bulk water meter replacement programmes implemented by 30 June 2021	Refer to SDI 11.1 - 11.2 for actual achievement	02 Water Conservation and demand Management programmes implemented by 30 June 2022	**Refer to SDI 11.1 - 11.2 for actual achievement**	**Refer to SDI 11.1 - 11.2 for actual achievement**	**Refer to SDI 11.1 - 11.2 for actual achievement**	Director: Engineering and Technical Services
		SDI-11.1	OPEX	353 Consumer Water meters replaced	1 Consumer water meter replacement Programmes implemented by 30 June 2021	**Achieved.** 1 Consumer water meter replacement Programmes implemented. the Department embarked on the disconnection programme resulting in identification of more faulty meters that needed replacement. 220 Consumer water meters replaced	1 Consumer water meter replacement Programmes implemented by 30 June 2022	**Target not achieved 117 out of 400 Consumer meters were installed**	**The consumer meters are being replaced and installed when there is a request from the consumer or submitted damaged list from the revenue office so as to fix the meters. Shortage of material / fittings due to budgetary constraints.**	**Budget adjustments to be able to purchase required material and fittings.**	Director: Engineering and Technical Services

		SDI-11.2		24 bulk water meters replaced	1 Bulk water meter replacement Programmes implemented by 30 June 2021	**Achieved.** 1 Bulk water meter replacement Programme implemented (24 bulk meters installed). the annual target of bulk meters to be installed was 18 recording an over achievement of 6 bulk meters installed	1 Bulk water meter replacement Programmes implemented by 30 June 2022	**Not achieved 3 Bulk water meters replaced out of the 32 that was planned (8 bulk water meters to be replaced per quarter)**	**Shortage of material / fittings due to budgetary constraints.**	**Budget adjustments to be able to purchase required material.**	Director: Engineering and Technical Services
Municipal Health Services	**To provide municipal health services in accordance with relevant legislations**	**SDI - 16**	**30 000,00**	**4 Municipal Public Health Programmes implemented.**	**04 Municipal Public Health Programmes implemented by 30 June 2021**	**Refer to SDI 16.1 - 16.4 for actual achievement**	**04 Municipal Public Health Programmes implemented by 30 June 2022**	**Refer to SDI 16.1 - 16.4 for actual achievement**	**Refer to SDI 16.1 - 16.4 for actual achievement**	**Refer to SDI 16.1 - 16.4 for actual achievement**	**Director: Health and Community Services**

		SDI 16.1	OPEX		2240 Food premises inspections conducted for compliance with Food, Cosmetics and Disinfectants Act 54 of 1972 as Amended by 30 June 2021	**Achieved.** 2336 Food premises inspections conducted for compliance with Food, Cosmetics and Disinfectants Act 54 of 1972 as Amended. Reason for overachieving is due to additional adhoc operation gqogqa's activities in food premises.	2240 Food premises inspections conducted for compliance with Food, Cosmetics and Disinfectants Act 54 of 1972 as Amended by 30 June 2022	**Achieved. 2501 Food premises inspections conducted.**	**Target Over achieved by 261 inspections due to operation Gqogqa programme.**		Director: Health and Community Services
		SDI - 16.2	OPEX		288 Funeral parlours & Mortuaries inspected for compliance in line with National Health Act 61 of 2003, section 32 by 30 June 2021	**Achieved.** 289 Funeral parlours & Mortuaries inspected for compliance in line with National Health Act 61 of 2003, section 32. A new funeral parlour in the 3rd quarter opened (Kamva & Neo Funerals)	280 inspections conducted to **72** Funeral parlours & Mortuaries for compliance in line with National Health Act 61 of 2003, section 32 by 30 June 2022	**Achieved. 288 funeral parlours & Mortuaries inspected**	**Over achieved by 8 due to Funeral Parlours that were opened**		Director: Health and Community Services

		SDI - 16.3	OPEX		120 sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001 by 30 June 2021	**Achieved.** 120 sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001	120 sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001 by 30 June 2022	**Achieved.120 sampled sanitation structures inspected.**			Director: Health and Community Services
		SDI- 16.4	OPEX		14 Waste sites inspected in line with the District Wide Environmental Management Plan by 30 June 2021	**Achieved.** 14 Waste sites inspected in line with the District Wide Environmental Management Plan	14 Waste sites inspected in line with the District Wide Environmental Management Plan by 30 June 2022	**Achieved. 56 Waste site inspections conducted on 14 waste sites in line with the District Wide Environmental Management Plan**			Dir: Health & Comm Services
Disaster and Fire Management	**To ensure effects of disaster and fire are prevented or minimised**	**SDI-17**	**OPEX**	**2 Disaster Risk Management and District Fire Services Programmes implemented as per DMP & DFSP**			**02 Disaster Risk Management and District Fire Services Programmes implemented as per DMP & DFSP by 30 June 2022**	**Refer to SDI 17.1.4 - 17.2.3 for actual achievement**	**Refer to SDI 17.1.4 - 17.2.3 for actual achievement**	**Refer to SDI 17.1.4 - 17.2.3 for actual achievement**	**Director: Health and Community Services**

Fire Services	To ensure effects of disaster and fire are prevented or minimised	SDI-17.1.4					24 disaster management ward-based risk assessment conducted by 30 June 2022	**Achieved. 24 disaster management ward-based risk assessment were conducted in all 6 local municipalities.**			Dir: Health & Comm Serv
		SDI-17.1.5	OPEX				24 disaster management ward-based plan developed by 30 June 2022	**Achieved. 24 disaster management ward-based plan developed**			Dir: Health & Comm
		SDI-17.2.1	OPEX		1 Fire Services Training conducted by 30 June 2021	**Achieved**. 1 Fire Services Training conducted by 30 June 2021	1 Basic Fire Services Training conducted by 30 June 2022	**Achieved. 1 Basic Fire Services Training conducted**			Dir: Health & Comm
		SDI-17.2.2.	OPEX		40 Fire Services Inspections conducted by 30 June 2021	**Achieved.** 73 Fire Services Inspections conducted. The directorate recorded an overachievement of 23 fire-fighting inspections due to high demand and vulnerability of communities to fire incidents.	48 Fire Services Inspections conducted by 30 June 2022	**Achieved. There were 51 fire services inspections conducted**	**There was an over achievement recorded in Q2 of 5 due to high requests by business owners in Q2. 10 out of 12 inspections were achieved in Q4, the outstanding ones will be prioritised in the next financial year.**		Director: Health and Community Services
		SDI-17.2.3	OP EX		100% of Response to Fire services incidents reported by 30 June 2021	**Achieved.** 100% of Response to Fire services incidents reported	100% of Response to Fire services incidents reported by 30 June 2022	**Achieved. 100% of Response to Fire services incidents reported.**			Dir: Health & Comm Serv

Environmental Management	**To promote functional ecosystems and healthy environment for all citizens**	**SDI-18**		**3 Environmental Programmes implemented as per District Wide Environmental Management Plan**	**02 Environmental Programmes implemented as per District Wide Environmental Management Plan by 30 June 2021**	**Refer to SDI 18.1- 18.2 for actual achievement**	**02 Environmental Programmes implemented as per District Wide Environmental Management Plan by 30 June 2022**	**Refer to SDI 18.1 - 18.2 for actual achievement**	**Refer to SDI 18.1 - 18.2 for actual achievement**	**Refer to SDI 18.1 - 18.2 for actual achievement**	**Director: Health and Community Services**
		SDI-18.1	750 000	1 Waste management programme implemented in 2 local municipalities	1 Waste management programme implemented in 2 local municipalities by 30 June 2021	**Achieved.** 1 Waste management programme implemented in 2 local municipalities	1 Waste management programme implemented in 2 local municipalities by 30 June 2022	**Achieved. The project is currently being implemented and monitored in accordance with the business plan. Engagements were conducted with Enoch Mgijima and Inxuba Yethemba LM's on the 14th July 2021 and 05 August 2021.The project was implemented and monitored in accordance with the business plan**			Director: Health and Community Services

Municipal Health Services		SDI 18.3					Air Quality management programme implemented by 30 June 2022	**Achieved. 8 inspections conducted in Eight (8) places and were found compliant with the legislative prescripts. Dukathole Brickworks and Tau Pele Asphalt & Emulsion plant, Queenstown Clay Bricks & Greens Sawmill, Rolfs Laboratories in Middleburg and H&I Construction at Ntibaneni (R61) and Super Bricks & Blocks Company in Khowa and Mayongo Bricks, Poly location in Cofimvaba were found compliant with the legislative prescripts.**			Director: Health and Community Services
Environmental Management		SDI-18.2			1 Climate change programmes implemented by 30 June 2021	**Achieved.** 1 Climate change programmes implemented through the implementation of the Rural Sustainable Villages project.	1 Climate change programmes implemented by 30 June 2022	**Achieved. 1 Climate change programme on Rural Sustainable Villages and small-scale wind-water pumping project. has been implemented . The Rural Sustainable Villages Project in 5 Local Municipalities. and small-scale wind-water pumping project in 2 local municipalities was implemented and monitored.**			Director: Health and Community Services
KPA 3: LOCAL ECONOMIC DEVELOPMENT											

BROAD STRATEGIC OBJECTIVE 3: To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use Management approaches as drivers for economies of scale and social cohesion.											
Priority Area	**Measurable Objectives**	**Indicator Code**	Programme Budget Allocation	**Baseline**	**Performance Report 2020/2021**		**Performance Report 2021/2022**				**C u st**
					Annual Target 2020/2021	**Actual Performance**	Revised Annual Target 2021/2022	**(1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)**	**Variances (Reason for Non, under/Over Achievement)**	**In case of non-achievement provide Remedial (Corrective Action)**	
TOWN PLANNING	To ensure provision for the inclusive, developmental, equitable and efficient spatial planning by 2030	LED-2	R2 500 000	01 Small Town programme implemented	01 Small Town Revitalization programmes implemented by 30 June 2021	**Achieved.** 01 Small Town Revitalization programmes implemented (Hofmeyer, Engcobo, Komani Bells Road and N6 Beautification.)	01 Small Town Revitalization programmes implemented by 30 June 2022	**Achieved. Small Town Revitalisation programme implemented. Project completed as per ToR and Project implementation Plan. Engagements with Intsika Yethu regarding the Tsomo project were held and the business plans were submitted; procurement not yet facilitated. Hofmeyer project; procurement has been facilitated, the process is incomplete owing to budget related constraints; ultimately the target was adjusted owing to budget constraints**			Director :Strategic Management Services

TOURISM & HERITAGE DEVELOPMENT	To Contribute economic development and growth in the district as envisaged in the NDP 2030	**LED-6**		**02 Tourism development & Heritage Preservation Programmes implemented**	**02 Tourism development & Heritage Preservation programmes implemented by 30 June 2021**	**Refer to LED 6.1 - 6.2 for actual achievement**	**02 Tourism development & Heritage Preservation programmes implemented by 30 June 2022**	**Refer to LED 6.1 - 6.2 for actual achievement**	**Refer to LED 6.1 - 6.2 for actual achievement**	**Refer to LED 6.1 - 6.2 for actual achievement**	**Director :IPED**
		LED-6.1 R 800 000,00		1 Tourism development programme implemented	1 Tourism development programmes implemented 30 June 2021	**Not Achieved.** SLA was signed by the office of the Municipal Manager, the implementation process of the SLA could not be finalised as the same office could not sign off the payments to the beneficiary to fully implement the contents of the SLA. Further engagements with the affected offices to make the necessary payments to finalise the implementation of the project	1 Tourism development programmes implemented 30 June 2022	**Achieved. 1 Tourism development programmes implemented through the implementation of the SLA with CHARTO**			Director :IPED

		LED-6.2	R800 000 (Sabalele) R793820 (CH month) R300 000 (Preservation)	1 Heritage Preservation programmes implemented	1 Heritage Preservation programmes implemented 30 June 2021	**Achieved.** 1. Implementation of the SLA monitored, Sabalele multi-purpose centre had been funded and the activities are taking place as per the requirements of the SLA. 2. Stakeholder engagement through Sabalele Stakeholder meeting on heritage related programmes was on the 20th April 2021.	1 Heritage Preservation programmes implemented 30 June 2022	**Achieved:1 Heritage Preservation programmes implemented. SLA implemented 2.Stakeholder engagements conducted. Quarterly report on implementation of the SLA compiled and submitted. (1. SLA with Intsika Yethu for Sabalele is in place. 2. Stakeholder engagement in the form of Reference Group meeting was held (Meeting was held on the 23rd of November 2021, 31st March and 02 June 2022). 3. SLA for Sabalele implemented 4. Concept document on Chris Hani month developed, presented to Council for adoption, adopted and implemented.**			Director :IPED
FORESTRY DEVELOPMENT		**LED - 7**		**02 Forestry programmes implemented**	**02 Forestry programmes implemented by 30 June 2021**	**Refer to LED 7.1 - 7.2 for actual achievement**	**02 Forestry programmes implemented by 30 June 2022**	**Refer to LED 7.1 - 7.2 for actual achievement**	**Refer to LED 7.1 - 7.2 for actual achievement**	**Refer to LED 7.1 - 7.2 for actual achievement**	**Director :IPED**

		LED - 7.1	R 800 000,00	1 Charcoal support programme implemented	1 Charcoal programmes supported by 30 June 2021	**Not Achieved.** Q1&2 not achieved (Signing of SLA with Ayango Bio-Diesel Business Partner Charcoal and Implementation and Monitor implementation of SLA's) due to budget limitations. Q3&Q4 (Stakeholder Management Engagement) Achieved. Non implementation of the SLA due to Covid -19 restrictions. Engagements with Ayango as a partner to commence by the mid-year of the next financial year 2021/2022.	1 Charcoal support programmes implemented by 30 June 2022	**The SCM process for the acquisition of the tractor was started and followed. 2.Target achieved. SCM referred the process to Fleet Office to purchase the tractor according to their process. The fleet management Office is attending to the matter**	**There were challenges that were encountered on the procurement processes of the Tractor by BTO office. The challenges resulted on the support for Charcoal programme not being implemented.**	**The programme will be reviewed for 2022-2023 FY.**	Director :IPED

		LED - 7.2	R 700 000,00	1 Nursery programmes supported	1 Nursery programmes supported by 30 June 2021	**Achieved.** 1 Nursery programmes supported. Implementation of the SLA monitored. Project is active in business and tending of production is as well monitored in line with the requirements of the SLA	1 Nursery programmes supported by 30 June 2022	**Achieved 1 Nursery programmes supported through the signing, implementation and monitoring of the SLA with Intsika Yethu LM (SLA has been signed with Intsika Yethu for the Nursery project, implemented and monitoring conducted**			Director :IPED
KPA 4: FINANCIAL MANAGEMENT AND VIABILITY											
Broader Objective 5 :To Ensure an Efficient and Co-ordinated Financial Management that Enables CHDM to deliver its Mandate											
Priority Area	**Measurable Objectives**	**Indicator Code**	Programme Budget Allocation	**Baseline**	**Performance Report 2020/2021**		**Performance Report 2021/2022**				**C us to**
					Annual Target 2020/2021	**Actual Performance**	Revised SDBIP Annual Target 2021/2022	**(1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)**	**Variances (Reason for Non, under/Over Achievement)**	**In case of non-achievement provide Remedial (Corrective Action)**	
BUDGET PLANNING	Ensure sound financial management	**FMV - 1**	OPEX	**01 Funded Budget and 01 MFMA Monitoring Report**	**01 Funded budget and 1 MFMA Monitoring reports compiled and approved by 30 June 2021**	**Refer to FMV 1.1 - 1.2 for actual achievement**	**01 Funded budget and 1 MFMA Monitoring reports compiled and approved by 30 June 2022**	**Refer to FMV 1.1 - 1.2 for actual achievement**	**Refer to FMV 1.1 - 1.2 for actual achievement**	**Refer to FMV 1.1 - 1.2 for actual achievement**	**Chief Financial Officer**

		FMV - 1.1		1 Funded budget 2020/21 compiled and approved	1 Funded budget compiled and approved by 30 June 2021	Achieved. 1 Funded budget compiled and approved	1 Funded budget compiled and approved by 30 June 2022	Roll over adjustment budget application has been approved by Council on 25 August 2021; Roll over application letter was sent to Provincial and National Treasury on 30 August 2021; draft Budget compiled and proof of submission to EM. Final budget presented to Council and approved			Chief Financial Officer
		FMV - 1.2		1 MFMA Monitoring report compiled and approved	1 MFMA Monitoring report compiled and approved by 30 June 2021	**Achieved**. Financial report attached and approved. the MFMA monitoring report is submitted.	1 MFMA Monitoring report compiled and approved by 30 June 2022	**Achieved. MFMA Monitoring reporting implemented. 12 section 71 reports, Section 72 report and 4 Section 52 (d) reports compiled and submitted as per the requirements of the act and regulations**			Chief Financial Officer
EXPENDITURE MANAGEMENT	Ensure sound financial management	FMV - 4	OPEX	98% adherence to 30 days and validated	100% adherence to 30 days payment of valid invoices and payment of salaries by the due date by 30 June 2021	Refer to FMV 4.1 - 4.2 for actual achievement	100% adherence to 30 days payment of valid invoices and payment of salaries by the due date by 30 June 2022	**Refer to FMV 4.1 - 4.2 for actual achievement**	**Refer to FMV 4.1 - 4.2 for actual achievement**	**Refer to FMV 4.1 - 4.2 for actual achievement**	Chief Financial Officer

		FMV - 4.1	OPEX		100% adherence to 30 days payment of valid invoices by the due date by 30 June 2021	**Not Achieved.** There municipality has been confronted by cash flow challenges that evolved during the financial year, hence we could not pay within the legislated timeframes. A daily cash flow is monitored, and the expenditures are mentored monthly and warning signals are sent to each directorates.	100% adherence to 30 days payment of valid invoices by the due date by 30 June 2022	**Not Achieved 99% of the received invoices were paid within 30 days of receipt.**	**1. The cash flow constraints that the municipality is facing.** **2. The non-adherence to deadlines for submitting of invoices which spills over to the current financial year and burdens the available cash.**	**To prioritise outstanding payments in Q1 of the next fy.**	Chief Financial Officer
		FMV - 4.2	OPEX	100% adherence to payment of salaries	100% adherence to payment of salaries by the due date by 30 June 2021	**Achieved**. 100% adherence to payment of salaries by the due date	100% adherence to payment of salaries by the due date by 30 June 2022	**Achieved. 100% adherence to payment of salaries as per salaries schedule. Council resolution and salary schedule prepared and submitted to council structures and council for approval. Council resolution and employee cost report compiled.**			Chief Financial Officer

ASSET MANAGEMENT	Ensure sound financial management	**FMV - 5**	**OPEX**	**01 GRAP Asset Register and 01 Inventory Management Register Implemented**	**01 GRAP Compliant Asset Registers and Inventory Management programmes implemented by 30 June 2021**	**Refer to FMV 5.1 - 5.2 for actual achievement**	**01 GRAP Compliant Asset Registers and Inventory Management programmes implemented by 30 June 2022**	**Refer to FMV 5.1 - 5.2 for actual achievement**	**Refer to FMV 5.1 - 5.2 for actual achievement**	**Refer to FMV 5.1 - 5.2 for actual achievement**	**Chief Financial Officer**
		FMV - 5.1	OPEX	1 Updated GRAP compliant Asset Registers reconciling to the General ledger compiled	1 Updated GRAP compliant Asset Registers reconciling to the General ledger by 30 June 2021	**Achieved.** 1 Updated GRAP compliant Asset Registers reconciling to the General ledger prepared	1 Updated GRAP compliant Asset Registers reconciling to the General ledger compiled by 30 June 2022	**Achieved, 1. All quarter additions and reconciliation to the GL have been done and submitted in all quarters 2. An updated Registers Reconciling to the GL has been submitted in quarter 1 for the Annual Target 30 June 2022. (Please note that the updated Registers for the year ending 30 June 2022 will be submitted in the First quarter 2022/23**			Chief Financial Officer
		FMV - 5.2	OPEX	01 GRAP Compliant Inventory Registers	01 GRAP Compliant Inventory Registers implemented by 30 June 2021	**Achieved.** 01 GRAP Compliant Inventory Registers implemented	01 GRAP Compliant Inventory Registers implemented by 30 June 2022	**Achieved. 1 GRAP Compliant Inventory Registers implemented (annual inventory register and Inventory count conducted, 2. inventory recons updated, 3. Purchases(GL) 4. Inventory count conducted , 5. Monthly inventory Purchases (GL) and reconciliation submitted**			Chief Financial Officer

FINANCIAL INFORMATION SYSTEM	Ensure sound financial management	FMV - 7	OPEX	Solar MSCOA Version 6.3	01 GRAP and MSCOA Compliant Financial Management system implemented by 30 June 2021	Refer to FMV 7.1 - 7.3 for actual achievement	01 GRAP and MSCOA Compliant Financial Management system implemented by 30 June 2022	**Refer to FMV 7.1 - 7.3 for actual achievement**	**Refer to FMV 7.1 - 7.3 for actual achievement**	**Refer to FMV 7.1 - 7.3 for actual achievement**	Chief Financial Officer
		FMV - 7.1	OPEX	1 MSCOA version 6.4 implemented	1 MSCOA version 6.4 implemented by 30 June 2021	**Achieved**. 1 MSCOA version 6.4 implemented	1 MSCOA version 6.5 implemented by 30 June 2022	**Achieved. 1 MSCOA version 6.5 implemented. 1. MSCOA Compliant 21/22 budget and Rollover adjustment budget uploaded 2. Monthly Data Strings to National Treasury before the 10th working day of the month submitted.**			Chief Financial Officer
		FMV - 7.2	OPEX	12 Pay day system integrations conducted	12 Pay day system integrations conducted by 30 June 2021	**Achieved.** 12 Pay day system integrations conducted	12 Pay day system integrations conducted by 30 June 2022	**Achieved. 12 Pay day system integrations conducted. Payday integrations and SARS PAYE. 1 SARS PAYE submitted, Integrating Pay day with Financial system 2. SARS PAYE annual submissions**			Chief Financial Officer
		FMV - 7.3	OPEX	NA	3 Solar modules activated by 30 June 2021	**Not Achieved**. Information not submitted by user department	4 Solar modules activated by 30 June 2022	**Achieved. All modules activated (Creditor's and; Inventory, Fixed Asset Management and contracts management Modules) All modules activated, training not done**			Chief Financial Officer

KPA NO- 5 GOOD GOVERNANCE and Public Participation							Weight: 20%				
BROAD STRATEGIC OBJECTIVE 4: To create an Efficient, Effective, Accountable and Performance-oriented Administration											
Priority Area	**Measurable Objectives**	**Indicator Code**	Programme Budget Allocation	**Baseline**	**Performance Report 2020/2021**		**Performance Report 2021/2022**				**Custodian**
					Revised Annual Target	**Actual Performance**	Revised SDBIP Annual Target 2021/2022	**(1.Please indicate Achieved or Not Achieved 2. Indicate below that what you have Achieved or under Achieved)**	**Variances (Reason for Non, under/Over Achievement)**	**In case of non-achievement provide Remedial (Corrective Action)**	
Communications	To empower Citizens through Communication, Public Participation and stakeholder engagement.	GGPP - 1	OPEX	02 Communication Programmes implemented	2 Communication Programmes implemented by 30 June 2021	Refer to the following indicators GGPP 1.1 to GGPP 1.2 for actual performance	2 Communication Programmes implemented by 30 June 2022	**Refer to GGPP-1.2 for actual achievement**	**Refer to GGPP-1.2 for actual achievement**	**Refer to GGPP-1.2 for actual achievement**	Director: Strategic Management Services

		GGPP 1.2	OPEX		1 Internal Communication Management Programme implemented by 30 June 2021	**Achieved.** 1. INFORMATION SHARING: 168 Information sharing and announcements emails shared : 16 Newsflashes produced,12 Newsletters produced: 42, Weekly diaries: 23 Events supported: 1 Communication Induction: Branding and Marketing material: 25 Posters developed, 145 Leaflets, 100 Tent calendars: 500 Diaries: 1000 Wall calendars: 2 Wall banner: 2 Pull up banners:	1 Internal Communication Management Programme implemented by 30 June 2022	**Achieved : 181 information sharing emails circulated to staff ; 12 Newsflashes produced; 47 Weekly diaries produced; 12 Inner View newsletters produced; 25 events supported; 302 posters and leaflets produced ; Branding material produced : 1000 Wall Calendars; 1000 Faces of Council; 300 Desk Calendars 2 wall banners, 2 pull up banners, 2 tear drop banners.**			Director: Strategic Management Services
STAKE HOLDER MANAGEMENT	**To empower Citizens through Communication, Public Participation and stakeholder engagement.**	**GGPP - 2**	**OPEX**	**01 Citizen Empowerment Programme implemented**	**01 Citizen Empowerment Programme implemented by 30 June 2021**	**Refer to GGPP 2.1 - 2.16 for actual achievement**	**01 Citizen Empowerment Programme implemented by 30 June 2022**	**Refer to GGPP - 2.1 to 2.17.7 for actual achievement**	**Refer to GGPP - 2.1 to 2.17.7 for actual achievement**	**Refer to GGPP - 2.1 to 2.17.7 for actual achievement**	**Director: Strategic Management Services & ALL HODs**

	GGPP - 2.1			1 Stakeholder engagement activity implemented by 30 June 2021	**Achieved**. 1 Stakeholder Management Engagement activity implemented	8 Stakeholder engagement activities implemented by 30 June 2022	**Achieved. 08 Stakeholder engagements were conducted. (1. Stakeholder engagement with Public Participation Committee of the ECLeg was implemented.2. Stakeholder engagement on tourism and Heritage month was implemented. Preparation meeting for 16days of activism held on the 10th November 2021 with the office of the Premier, Emalahleni LM. An internal stakeholder management meeting on Disaster Mitigation in preparation international day for disaster reduction held on the 12th October at Disaster Management Offices**			Director: Strategic Management Services

Communications		GGPP - 2.2	OPEX		4 District Communication Coordination Forums conducted by 30 June 2021	**Achieved.** 4 District Communication Coordination forums conducted	4 District Communication Forums coordinated by 30 June 2022	**Achieved :** 4 District Communication Forums conducted and 1 Training of Councillors conducted **(District Communication Forum coordinated on 16 September 2021, 13 December 2021, 11th January 2022 and 16 May 2022**	1 Training of Councillors - training of councillors had to be undertaken with urgency in the 3rd quarter to capacitate new councillors in understanding their communication responsibility		Director: Strategic Management Services
Speaker's Office		GGPP - 2.3	OPEX		4 District Speaker's Forums conducted by 30 June 2021	**Achieved.** 4 District Speaker's Forums conducted	4 District Speaker's Forums conducted by 30 June 2022	**Not Achieved. District Speaker's forum could not sit in quarter 2 (District Speakers forum conducted on the 15 September 2021, 09 March 2022 and 24 May 2022)**			Dir: Strat Man. Services
Municipal Support		GGPP - 2.4	OPEX		4 IGR Forums conducted by 30 June 2021	**Achieved.** 4 IGR Forum meetings conducted	4 IGR Forums conducted by 30 June 2022	**Achieved. All 4 IGR meetings were conducted (05th August 2021, 11th November 2021, 22nd February 2022 and 17th May 2022)**			Dir: Strat Man. Serv
Mayor's office		GGPP - 2.5	OPEX		4 DIMAFO Forums conducted by 30 June 2021	**Achieved.** 4 DIMAFO meetings conducted	4 DIMAFO Forums conducted by 30 June 2022	**Achieved. 4 DIMAFO Forums conducted. DIMAFO Forum conducted on the 03rd of September and 14th of December 2021, 10th of March and 26th of May 2022 (Virtual).**			Dir:: Strat Man. Services

MPAC		GGPP-2.6	OPEX				4 District MPAC Forums conducted by 30 June 2022	**Not Achieved.** Support from GIZ on matters relating to MPAC was solicited from GIZ, and an indication was that a service provider was solicited to support municipality revive the District MPAC Forum**. TOR Not yet developed due to unavailability of COGTA and SALGA assistance.**	Support that was solicited from GIZ to revive the District MPAC Forum was not received. The District MPAC Forum will be held after the establishment of the council committees by the LM's after the elections	The induction for MPAC Councillors was packaged in the support programme facilitated with GIZ; on engagement with GIZ, the activities were not explicit. On further engagement, a list of activities in the support programme will be prepared to enlist the induction and other activities involved in the support programme	Director Strategic Management Service
Environmental Management		GGPP-2.7	OPEX		4 Disaster advisory forums conducted by 30 June 2021	**Achieved.** 4 Disaster advisory forums conducted	4 Disaster advisory, Environment and climate change forum conducted by 30 June 2022	**Achieved. The CHDM Disaster Management Advisory, Environment and Climate Change Forum were held via Microsoft Teams due to COVID-19 Restrictions and were held on 14th of September and 11th of November 2021 and 18th May 2022 via Microsoft Teams due to COVID-19 Restrictions**			Director: Health and Community Services

LED		GGPP - 2.8	OPEX		4 Human Settlement forums conducted by 30 June 2021	**Achieved.** 4 Human Settlement forums held	4 Human Settlement forums conducted by 30 June 2022	**Achieved. All 4 Human Settlement forums were conducted. Forum held on the 02nd September 2021, 09th December 2021, 15th March and 09th June 2022**			Director: IPED
		GGPP - 2.9	OPEX		4 LED forums conducted by 30 June 2021	**Achieved.** 4 LED Forums held	4 LED forums conducted by 30 June 2022	**Achieved. 4 LED Forums conducted. The LED Forum session was held on the 12 August 2021, 21 October 2021, 14 March and 14 June 2022**			Director: IPED
PLANNING		GGPP - 2.10			4 Spatial Planning forums conducted by 30 June 2021	**Achieved.** 3 Spatial Planning forums conducted, No meeting was conducted in Q1 as there were no applications to be considered by the forum	4 Spatial Planning forums conducted by 30 June 2022	**Achieved. 4 Spatial Planning forums conducted. Forums conducted for the term virtually on the 02nd September and 07th December 2021, 15th March and 09th June 2022**			Director: SMS
		GGPP - 2.11	OPEX		4 IDP Rep forums conducted by 30 June 2021	**Achieved.** 4 IDP Rep Forum meetings were conducted	4 IDP Rep forums conducted by 30 June 2022	**Achieved. 4 IDP Rep forums conducted. IDP/Budget/PMS Rep Forum set on the 30th Sept 2021, 14th December 2021, 10th March and 26th May 2022 Virtually**			Director: SMS
		GGPP - 2. 12					4 Technical Managers Forum conducted by 30 June 2022	**Not Achieved. Only 2 Technical Manager's Forum meetings were conducted in the 2nd and 3rd quarter (31st March 2022)**	**Clashing with other priorities of the Council.**	**To be held in the first quarter. Awaiting date from DWS**	Director: Engineering and

Speaker's Office		GGPP - 2.13			4 MPAC reports compiled and submitted by 30 June 2021	**Achieved.** 7 MPAC reports were compiled and submitted. Over-achievement of 3 reports was achieved	4 MPAC reports compiled and submitted by 30 June 2022	**Achieved. Process Plan submitted to council for the reparations of the oversight Report , submission of the Oversight Report to council, submission of the mid-term in-year report to council**			Director: Strategic Management Services
		GGPP - 2.14			2 Women caucus activities implemented by 30 June 2021	**Not Achieved**. Seminar (Woman Caucus) Invites issued but Seminar postponed due to by-elections that were scheduled around the same dated. All 4 Quarterly meetings were conducted. Target not achieved due to delays in planning which led to delays in procurement.	2 Women caucus activities implemented and 4 Quarterly meeting convened by 30 June 2022	**Not Achieved - 2 woman month programmes implemented at Inxuba YeThemba on 11 August 2021 and Enoch Mgijima on 27 August 2021. Only 2 quarterly meeting implemented on the 22 July 2021 and 04th May. 1. Induction of Women Caucus conducted on 14 June 2022. (i.e. Women' and s Induction) 2. Women's Seminar conducted on 23 - 24 June 2022.**			Director: Strategic Management Services

		GGPP - 2.15			2 Moral Regeneration Movement activities implemented by 30 June 2021	**Achieved.** MRM month radio dialogue conducted on the 31 July 2020 and 2. MRM meeting held on the 25 August 2020, 19 November 2020. 2 meetings were held (for the executive and extended) in May 2021	1 Moral Regeneration Movement activities implemented and 4 quarterly meetings by 30 June 2022	**Achieved - 1. MRM month of handing over of blankets to elderly at Inxuba YeThemba on 27 August 2021, Enoch Mgijima and Emalahleni conducted on the 31 July 2021 and Revival of Sakhisizwe local structure on 06 September 2021. 2. MRM meeting held on the 18 August 2021 Launch of the Structure on 11 March 2022 & Prayer at Inxuba Yethemba on 31 March 2022 2. 4 Quarterly meetings 18 August 2021, 10 May 2022 and 22 June 2022**			Director: Strategic Management Services

		GGPP - 2.16			2 District Initiation activities Implemented by 30 June 2021	**Not Achieved.** The initiation season, awareness campaigns for quarter 2 & 4 were affected by Covid 19 regulations where the initiation was ban by the President. Bush tracking commenced late in Q 2 as the initiation ban was lifted by the President on the 3 December 2020.	2 District Initiation activities Implemented. 4 Quarterly meetings convened by 30 June 2022	**Achieved - Covid 19 Compliance monitoring and 1 quarterly meeting conducted on the 10 August 2021, 03 May 2022 and 08 June 2022. Bush Tracking and Awareness campaigns conducted**			Director: Strategic Management Services
Speaker's Office, Municipal Health Services, DISASTER MANAGEMENT, Environmental	To empower Citizens through Communication, Public Participation and stakeholder engagement.	**GGPP - 2.17**	**OPEX**		**7 Community Educational initiatives implemented by 30 June 2021**	**Refer to GGPP 2.16.1 - 2.16.7 for actual achievement**	**7 Community Educational initiatives implemented by 30 June 2022**	**Refer to GGPP 2.17.1 - 2.17.7 for actual achievement**	**Refer to GGPP 2.17.1 - 2.17.7 for actual achievement**	**Refer to GGPP 2.17.1 - 2.17.7 for actual achievement**	**Director: Strategic Management Services**

Speaker's Office		GGPP - 2.17.1		MPAC Training conducted	3 Capacity building initiatives implemented by 30 June 2021	**Not Achieved.** In Q 2 & 3 targets could not be implemented because gatherings were prohibited due to Covid 19 pandemic. The voter education and civic education for quarter 2 &3 could not be conducted due the Covid 19 restrictions	4 Quarterly meetings facilitated on Petitions. 3 Capacity building initiatives implemented. 1 Civil education conducted by 30 June 2022	**Achieved. 4 Quarterly reports on petitions facilitated 2. 3 Capacity building programs for Councillors 3. 5 Public education programs implemented targeting Ward Committees.**			Director: Strategic Management Services
Municipal Health Services		GGPP 2.17.2	OPEX		60 health and hygiene awareness campaigns conducted by 30 June 2021	**Achieved.** 60 Health and hygiene awareness programmes conducted. (The attached checklist also serves as the attendance register.)	80 health and hygiene awareness campaigns conducted by 30 June 2022	**Achieved. 80 health and hygiene awareness campaigns conducted**			Director: Health and Community Services
		GGPP 2.17.3	OPEX		4 Awareness provided to food handlers by 30 June 2021	**Achieved.** 5 Awareness programmes provided to food handlers	4 Awareness provided to food handlers by 30 June 2022	**Achieved. 1 awareness was provided to Wilhem Stall Hospital Food Handlers, Middleburg; Jamma Boer Farm Food Handlers, Dordrecht and Andre Butchery Food Handlers, Khowa,**			Director: Health and Community Services

		GGPP 2.17.3.1	OPEX		4 Environmental Health calendar Days observed by 30 June 2021	**Achieved.** 5 Environmental Health calendar Days were observed. In light of COVID-19 pandemic, awareness programmes of this nature became eminent to close the knowledge gap that is existing in our communities.	4 Environmental Health calendar Days observed by 30 June 2022	**Achieved. 4 Environmental Health days observed. (2 Build -up Environmental Health days observed in Komani and Sada, Enoch Mgijima LM, Nonibe Primary School, Komani, Enoch Mgijima LM, 5 National Water Week Awareness's were observed at Cofimvaba, Intsika Yethu LM, Ngcobo LM, Cacadu, Emalahleni LM, Whittlesea, Enoch Mgijima LM, Cradock, Inxuba Yethemba LM. Sanitation Week at Tembeni Primary School in Ngcobo.**			Director: Health and Community Services
ENVIRONMENTAL MANAGEMENT		GGPP 2.17.3.2	OPEX				3 Environmental calendar Days observed by 30 June 2022	**Achieved. 3 Environmental Calendar Days observed. The programme was celebrated on the 08th September 2021, 22nd February 2022, 09 June 2022**			Director: Health and Community Services

DISASTER MANAGEMENT		GGPP - 2.17.4	OPEX		4 Disaster awareness campaigns conducted by 30 June 2021	**Achieved.** Disaster awareness programmes conducted. The District is still confronted by a National state of disaster (COVID-19 pandemic) and awareness programmes are on demand, hence they were intensified.	72 Disaster awareness campaigns conducted by 30 June 2022	**Achieved. 111 Disaster awareness campaigns were conducted In LMs.**	**This was Over Achieved by 39 Awareness's, we are still in the National State of Disaster due to COVID-19 and awareness programmes are in demand.**		Director: Health and Community Services
		GGPP - 2.17.4.1	305 026,00		1 IDDR days observed by 30 June 2021	Achieved. 1 IDDR day observed	1 IDDR days observed by 30 June 2022	**Achieved, 1 IDDR day observed**			Dir: Health and
FIRE MANAGEMENT		GGPP - 2.17.5	OPEX		48 Fire Services Awareness campaigns implemented by 30 June 2021	**Achieved.** 82 Fire Services awareness campaigns implemented. Due to high demand in preparation for the Easter period and winter season which are mainly prone to fire incidents.	48 Fire Services Awareness campaigns implemented by 30 June 2022	**Achieved. 98 Fire Service awareness campaigns implemented in Local Municipalities in Q1 - 24, Q2 - 24, Q3 - 25 and Q4 - 25**	**This was Over Achieved by 50 due to high demand**		Director: Health and Community Services

Environmental Management		GGPP - 2.17.6	OPEX		4 Environmental management awareness campaigns conducted by 30 June 2021	**Achieved**. 11 Environmental management awareness programmes conducted. Due to high demand and directives issued by the leadership to enhance awareness programmes.	16 Environmental management awareness campaigns conducted by 30 June 2022	**Achieved, 17 Environmental management awareness programmes conducted**	**Over Achieved with 1 awareness (District Waste Summit)**		Director: Health and Community Services
Customer Care		GGPP - 2.17.7	OPEX	28 Social facilitation activities on Customer Care implemented			28 Social facilitation activities on Customer Care implemented by 30 June 2022	**34 Social facilitation activities on Customer Care implemented by 30 June 2022**	**6 more social facilitation activities were conducted due urgent matters relating vandalism emerged.**		Director: Strategic Management
	To enhance communication ,stakeholder Management and customer care	**GGPP - 4**	OPEX	**02 Customer Care Management Programmes implemented**	**01 Customer Care Management Programme Implemented by 30 June 2021**	**Refer to GGPP 4.1 for actual achievement**	**01 Customer Care Management Programme Implemented by 30 June 2022**	**Refer to GGPP - 4.1 for actual achievement**	**Refer to GGPP - 4.1 for actual achievement**	**Refer to GGPP - 4.1 for actual achievement**	**Dir: Strategic Man. Services**
		GGPP-4.1			1 Customer satisfaction survey conducted by 30 June 2021	**Not Achieved**. Budget for the implementation of the project was provided at the beginning of the financial year	1 Customer satisfaction report developed and submitted to the AO for actioning by 30 June 2022	**Achieved. 558 complaints not resolved.**			Dir: Strategic Man. Services

Internal Audit	To ensure clean administration and accountable governance	GGPP - 5	250 000,00	1 Risk Based Internal Audit Plan implemented	01 Risk based internal audit plan developed and implemented by 30 June 2021	**Achieved.** 1 Risk Based Internal Audit Plan Developed, approved and fully Implemented for the period ended 30 June 2021	01 Risk based internal audit plan developed and implemented by 30 June 2022	**Achieved. 01 Risk based internal audit plan developed and implemented. 1 Risk Based Internal Audit Plan developed and approved by the Audit Committee on the 22nd of July 2021. 1 Risk Based Audit and Mandatory Audit Assignment completed: Namely 1. Water Losses Management Audit 2. Risk Management Audit. 2 projects implemented as per the approved risk based internal audit plan. SCM and Asset Management . Q3 Audit of Performance Measures**			Director: Strategic Management Services
Risk Management		**GGPP - 6**		**01 Risk Management Programmes Implemented**	**01 Risk Management Programmes Implemented by 30 June 2021**	**Refer to GGPP 6.1 - 6.3 for actual achievement**	**01 Risk Management Programmes Implemented by 30 June 2022**	**Refer to GGPP - 6.1 to 6.4 for actual achievement**	**Refer to GGPP - 6.1 to 6.4 for actual achievement**	**Refer to GGPP - 6.1 to 6.4 for actual achievement**	**Dir: Strat Man. Services**
		GGPP - 6.1			4 Risk Management Monitoring report compiled and submitted by 30 June 2021	**Achieved.** 4 risk management monitoring reports on risk mitigation measures compiled and submitted	4 Risk Management Monitoring report compiled and submitted by 30 June 2022	**Achieved. Four risk management monitoring reports have been compiled and submitted**			Dir: Strat Man. Services

		GGPP - 6.2			1 Anti-fraud and Corruption initiative conducted by 30 June 2021	**Achieved.** An anti-fraud and corruption initiative has been conducted. Target has been achieved: awareness campaign has been conducted on anti-fraud and corruption, and risk management in the municipality.	1 Anti-fraud and Corruption initiative conducted by 30 June 2022	**Achieved. Anti-fraud and Corruption risk workshop conducted**			Director: Strategic Management Services
		GGPP - 6.3			1 Risk Assessments conducted by 30 June 2021	**Achieved**. Annual Risk assessment for 2021/2022 financial year conducted	1 Risk Assessments conducted by 30 June 2022	**Achieved. 1 Risk Assessments conducted**			Dir: Strat Man. Serv
		GG-PP - 6.4					2 Compliance monitoring reports compiled and submitted by 30 June 2022	**Achieved. Compliance monitoring reports in Q1 and Q3 compiled and submitted.**			Dir: Strat Man. Serv
PMS		**GGPP - 7**		**03 PMS programmes implemented**	02 PMS programmes implemented by 30 June 2021	Refer to GGPP 7.1 - 7.2 for actual achievement	**02 PMS programmes implemented by 30 June 2022**	**Refer to GGPP - 7.1 to GGPP - 7.2 for actual achievements**	**Refer to GGPP - 7.1 to GGPP - 7.2 for actual achievements**	**Refer to GGPP - 7.1 to GGPP - 7.2 for actual achievements**	**Dir: Strat Man. Serv**

GGPP - 7.1.			**03 Organisational Performance Management Programmes Implemented by 30 June 2021**	**Refer to GGPP 7.1.1 - 7.1.3 for actual achievement**	**01 Organisational Performance Management Programmes Implemented by 30 June 2022**	**Refer to GGPP - 7.1.1 to GGPP - 7.1.3 for actual achievements**	**Refer to GGPP - 7.1.1 to GGPP - 7.1.3 for actual achievements**	**Refer to GGPP - 7.1.1 to GGPP - 7.1.3 for actual achievements**	**Dir: Strat Man. Services**
GGPP - 7.1.1			4 Quarterly Performance Reviews conducted by 30 June 2021	**Achieved.** 4 Quarterly performance reviews conducted	4 Quarterly Performance Reviews conducted by 30 June 2022	**Achieved. 4 Quarterly Performance Reviews conducted. Section 52(d), Mid-Year performance reviews conducted and a Section 72 report presented to Council structures (PAC, Mayoral Comm, IDP Rep Forum) and Council for compliance**			Director: Strategic Management Services
GGPP - 7.1.2			2 SDBIP developed and submitted by 30 June 2021	**Achieved.** 1 reviewed SDBIP 2020/2021 and 1 SDBIP 2021/2022 developed and submitted	2 SDBIP developed and submitted by 30 June 2022	**Achieved. 2 SDBIPs developed and submitted (1st one presented to Council and approved in March, 30; 2022 and the other on the 29th June 2022)**			Dir: Strat Man. Services

		GGPP - 7.1.3			2 statutory performance reports compiled and submitted by 30 June 2021	**Achieved.** 2 Statutory performance reports were compiled and submitted (1 annual report 2019/2020 financial year and 1 mid-year performance report 2020/2021 financial year)	2 statutory performance reports compiled and submitted by 30 June 2022	**Achieved. Sec 72 and Annual Reports presented to Council and approved in January 2022**			Director: Strategic Management Services
		GGPP - 7.2			1 Individual Performance Management Programmes Implemented by 30 June 2021	**Not Achieved.** 2 Assessments were conducted (2019/2020 annual assessments and 2020/2021 mid-year assessments	1 Individual Performance Management Programmes Implemented by 30 June 2022	**Not Achieved. Delays in the sitting of formal assessment panels**	**Delays in sitting of the panel for the assessments that were scheduled for Q3 affected the sessions that were scheduled for the performance reviews in Q4**	**Assessment dates included in the institutional calendar for prioritization**	Director: Strategic Management Services
SPECIAL PROGRAMMES	To facilitate and coordinate integrated Special Programmes	GGPP - 8	OPEX	03 Special Programmes implemented	03 Special programmes implemented by 30 June 2021	Refer to the following indicators GGPP 8.1 to GGPP 8.3 for actual performance	03 Special programmes implemented in line with the revised the strategy by 30 June 2022	**Refer to GGPP - 8.1 to GGPP - 8.3 for actual achievement**	**Refer to GGPP - 8.1 to GGPP - 8.3 for actual achievement**	**Refer to GGPP - 8.1 to GGPP - 8.3 for actual achievement**	Director: Strategic Management Services

		GGPP - 8.1			4 HIV,TB and STI's programme implementation as per SPU calendar and HIV,TB and STI's implementation plan by 30 June 2021	**Achieved.** 5 HIV, TB and STI's programmes implemented as per the SPU Calendar and HIV,TB and STI;s implementation plan. Programmes conducted in partnership with other SPU stakeholders e.g. Department of Health and Local municipalities.	4 HIV,TB and STI's programme implementation as per SPU calendar and HIV,TB and STI's implementation plan by 30 June 2022	**Achieved. HIV,TB and STI Implementation Plan developed and submitted, 4 HIV, TB and STI programmes implemented as per SDBIP. District HIV, TB and STI programme conducted through COVID 19 Vaccination Pop Up site Launch held at Enoch Mgijima on the 02 September 2021. Provincial World AIDS Day held at WSU in Whittlesea Enoch Mgijima on the 01 December 2021. STI & Condom Week held at Ikhala TVET College Campuses on 15-17 February 2022. LGBTQI Rights awareness programme for LGBTQI Community from WSU and Ikhala TVET College in partnership with Office the Premier held at CDC Boardroom on 29 April 2022**			Director: Strategic Management Services

		GGPP - 8.2			4 Mainstreaming Programmes for Designated Groups implemented as per SPU calendar by 30 June 2021	**Achieved.** 5 Mainstreaming Programmes for Designated Groups implemented as per the SPU calendar. programmes conducted in partnership with other SPU stakeholders e.g. Office of the Premier and Department of Health.	4 Mainstreaming Programmes for Designated Groups implemented as per the mainstreaming plan by 30 June 2022	**Achieved. Mainstreaming implementation plan submitted and 6 SPU Mainstreaming programmes implemented. Women's Month Commemoration Memorial Lecture held at Ngcobo, Human trafficking programme at Ezibeleni on the 08 October 2021, and Provincial Launch of the 16 Days of activism on No violence against Women and Children at Ezinggqolweni village, Emalahleni on the 25 November 2021, GBV Prayer against GBV held on the 27 Feb in McBride, Child Protection Week programmes in Cradock, on the 02 June 2022 and Graduation of Nyamukare DSD programme at Queens Primary School in Komani on the 13 June 2022**			Director: Strategic Management Services

		GGPP - 8.3			4 Youth development programmes implemented as per the SPU calendar by 30 June 2021	**Achieved.** 5 Youth development programmes implemented as per the SPU calendar BY 30 June 2021. Programmes conducted in partnership with other SPU stakeholders e.g. DHA and Legislature Office.	4 Youth development programmes implemented as per the Youth Development plan by 30 June 2022	**Achieved. 6 SPU Youth Development programmes implemented. 1 Youth Development Programme conducted in the form of a facilitation of Youth Development Funding Applications in partnership with the Office of the Premier. Sports programmes (Netball championships in Cape Town, Chris Hani Boxing Tournament and Support to Seven Stars FC, Training of 50 young people in partnership with NYDA on the 24 Nov 2021. NSFAS Mop-up Programme in Ikhala TVET College on 14 January 2022. Youth Business Indaba at Thobi Kula Sports Centre in Komani on the 10 June 2022 and Chris Hani Career and Business open day at Thobi Kula Indoor Sport Centre on the 24 June 2022**			Director: Strategic Management Services

ISDM	To ensure integrated approach to service delivery	**GGPP - 9**		**02 Integrated Service Delivery programmes implemented**	**02 Integrated Service Delivery programmes implemented by 30 June 2021**	**Refer to GGPP 9.1 - 9.2 for actual achievement**	**02 Integrated Service Delivery programmes implemented by 30 June 2022**	**Refer to GGPP - 9.1 to GGPP - 9.2.2 for actual achievement**	**Refer to GGPP - 9.1 to GGPP - 9.2.2 for actual achievement**	**Refer to GGPP - 9.1 to GGPP - 9.2.2 for actual achievement**	**Dir: Strat Man. Services**
		GGPP - 9.1		01 Ward War rooms Programmes as per Integrated Service Delivery Model implemented	01 Ward Warrooms Programmes as per Integrated Service Delivery Model by 30 June 2021	**Achieved**. 4 Ward Warrooms programme supported as per Integrated Service Delivery Model	01 Ward War rooms Programmes as per Integrated Service Delivery Model implemented by 30 June 2022	**05 War Room Programmes conducted as per Integrated Service Delivery Model implemented by 30 June 2022**	**High demand of community needs resulted to more programmes to be conducted**		Dir: Strat Man. Serv
ISD		**GGPP - 9.2**	**R 24 141 695**		**1 Social facilitation Programmes implemented as per Integrated Service Delivery Models by 30 June 2021**	1 Social facilitation projects implemented as per Integrated Service Delivery Models	**1 Social facilitation Programmes implemented as per Integrated Service Delivery Models by 30 June 2022**	**Refer to GGPP - 9.2.1 to GGPP - 9.2.2 for actual achievement**	**Refer to GGPP - 9.2.1 to GGPP - 9.2.2 for actual achievement**	**Refer to GGPP - 9.2.1 to GGPP - 9.2.2 for actual achievement**	**Dir: Engineering and Technical Services**
		GGPP - 9.2.1		01 MIG Social facilitation programmes	01 MIG Social facilitation programmes implemented by 30 June 2021	**Achieved.** 01 MIG Social facilitation programmes implemented by 30 June 2021	01 MIG Social facilitation programmes implemented by 30 June 2022	**Achieved. 01 MIG Social facilitation programmes implemented**			Dir: Engin & Tech Serv

		GGPP - 9.2.2		01 WSIG and 01 RBIG Social facilitation programmes implemented	01 WSIG and 01 RBIG Social facilitation programmes implemented by 30 June 2021	**Achieved.** 01 WSIG and 01 RBIG Social facilitation programmes implemented	01 WSIG and 01 RBIG Social facilitation programmes implemented by 30 June 2022	**Achieved 01 WSIG and 01 RBIG Social facilitation programmes implemented**			Director: Engineering and Technical Services
Municipal Support		GGPP -10		01 Municipal support Programme implemented as per Municipal Support Model	01 Municipal support programme implemented as per Municipal Support Model by 30 June 2021	**Achieved.** 01 Municipal support programme implemented as per Municipal Support Model	01 Municipal support programme implemented as per Municipal Support Model by 30 June 2022	**Achieved. 01 Municipal support programme implemented as per Municipal Support Model**			Director: Strategic Management Services
Planning	Development and implementation of Credible Plans aligned to NDP 2030	**GGPP-12**		**2012-2017 IDP**	**6 Sector plans developed, reviewed and implemented by 30 June 2021**	**Refer to GGPP 12.1 - 12.6 for actual achievement**	**8 Sector plans developed, reviewed and implemented by 30 June 2022**	**Refer to GGPP -12.1 to GGPP - 12.8 for actual achievements**	**Refer to GGPP - 12.1 to GGPP - 12.8 for actual achievements**	**Refer to GGPP -12.1 to GGPP - 12.8 for actual achievements**	**Dir :IPED/Strategi**

		GGPP-12.1	R600 000		1 CHDM 2021-2022 IDP reviewed and adopted by 30 June 2021	**Achieved.** IDP Process plan presented to Council for adoption; 1st draft IDP presented to Council in March and the Final Draft IDP adopted on the 26th May 2021	1 CHDM 2022-2027 IDP developed and approved by 30 June 2022	**Achieved. Final 2022-2027 IDP was developed and approved by CHDM Council on the 25th May 2022. The IDP Development Process Plan and Framework were presented to the Council structures and was approved by Council on the 25th August 2021. Situational Analysis is being developed and Service Provider appointed for the latest information and software. Draft 2022-2027 IDP was adopted by CHDM Council on the 30 March 2022**			Director : Strategic Management Services
WSA		GGPP-12.2	OPEX				**Consultation of Stakeholders on development of WSDP conducted** by 30 June 2022 - 2027	**Not Achieved Consultation of Stakeholders on development of WSDP conducted by 30 June 2022 - 2027**	**Collecting information and updating WSDP**	**Once updating of information is complete, draft WSDP will be available to engage internal Stakeholders.**	Dir: Engin & Tech Services

IWMP		GGPP-12.3			1 District Recycling Strategy developed by 30 June 2021	**Not Achieved.** The development of the District Recycling Strategy project has commenced and is being developed internally as recommended in the Standing Committee in April 2021. The project is currently in the situational analysis. The project is deferred to the next financial year subject to the availability of budget. The project will be done internally and will be informed by the upcoming Waste Summit.	1 District Recycling Strategy developed by 30 June 2022	**Achieved. Draft District Recycling Strategy was submitted and adopted by the council on the 29 June 2022. Consultation of stakeholders on the Draft District Recycling Strategy conducted in all 6 local municipalities. Draft District Recycling Strategy was submitted and adopted by the council**			Director: Health and Community Services

Stakeholder Management		GGPP-12.4	OPEX		01 Integrated Stakeholder Management Plan developed and approved by 30 June 2021	**Achieved.** The policy workshop was conducted on the 18th-19th March 2021.Approved the Integrated Stakeholder Management Plan/policy on the 30th March 2021	01 Integrated Stakeholder Management Plan implemented by 30 June 2022	**Achieved. 1 Integrated Stakeholder Management Plan was implemented. Stakeholder engagements held on human traffic conducted with the NGO's, Hawks, SAPS and social development on the 05th October 2021. Preparation of inauguration of new council event conducted on the 11th Nov 2021**			Director: Strategic Management Services
		GGPP-12.5	OPEX	1 Protocol and Etiquette policy and Implementation Plan developed and approved	1 Protocol and Etiquette policy and Implementation Plan developed by 30 June 2021	**Achieved.** The policy workshop was conducted on the 18th-19th March 2021.Approved the Integrated Stakeholder Management Plan/policy 30th March 2021	1 Protocol and Etiquette policy and Implementation Plan implemented by 30 June 2022	**Achieved. 01 Protocol Policy Implemented. 2 Directive from the Office of the Presidency received in November 2021 (Nkosi Sipho Etwell Mahlangu and FW de Klerk respectively) on implementation of protocol and etiquette issues relating to hoisting of flags was implemented from the 17th - 23rd of November 2021. Implementation of Protocol orders- National Flag half must. Chief Ngangomhlaba Matanzima.**			Director: Strategic Management Services

Performance Management System		GGPP-12.6	OPEX		1 PMS Framework reviewed and approved by 30 June 2021	**Not Achieved.** Delays in the stakeholder consultation resulted in the delays in the whole review process. Delays in the stakeholder consultation resulted in the delays in the whole review process. Stakeholder consultation will resume in the 2nd and 3rd quarter of the 2021/2022 financial year	1 PMS Framework reviewed and approved by 30 June 2022	**Achieved. 1 PMS Framework reviewed and approved by 29th June 2022. The PMS Unit conducted a session to identify areas to be reviewed on the PMS Framework. Submissions from directorates collated during the assessments of managers were documented and communicated via email to the PMS Committee in December 2021; to be discussed in a session to be held in January 2022. Draft PMS Framework presented to Council for noting. Final PMS Framework submitted and approved by Council on the 29th June 2022**			Director: Strategic Management Services

Fire Services	To ensure effects of disaster and fire are prevented or minimised	GGPP - 12.7	OPEX		1 District Fire Services Plan Reviewed and adopted by Council by 30 June 2021	**Not Achieved.** The Fire Services Plan was taken through a Consultation process and in the Institutional Policy Workshop it was recommended that the policy be refined further. The Unit will priorities the finalisation of the draft Standard Operational Plan and Consultation thereafter.	1 District Fire Services operational plan developed by 30 June 2022	**Achieved. Final Draft Fire Services operational plan was submitted and adopted by the council on the 29 June 2022. Draft fire services operational plan submitted to council structures**			Director: Health and Community Services
		GGPP - 12.8		None			1 CHDM Community Fire safety by- law developed and adopted by Council by 30 June 2022	**Not achieved. The Draft Fire by-laws will undergo a District wide consultation process and the process will be concluded by the end of Q2 of the 2022/23 financial year.**	**Delay in the development of the process plan for the consultation process**	**The by-laws will undergo an extensive stakeholder consultation process within the District in Q1 of the 2022/23 financial year.**	Director: Health and Community Services

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 PERFORMANCE REPORT PART II

Introduction

Chapter 7 Section 51 of the Municipal Systems Act (MSA) 32 of 2000, mandates the district to establish and organise its administration in a manner that would enable the municipality to be responsive to the needs of the local community. Furthermore, Section 67(1) of the MSA compels the municipality to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

The strategic objective of the directorate is to establish and maintain a skilled, healthy labour force guided by relevant policies, systems, procedures that are geared towards realising the needs of the communities. Municipal transformation and organisational development is key to service delivery, hence much emphasis is on implementation of Batho Pele principles in all municipal structures, systems, procedures, policies and strategies.

COMPONENT A:

4.2 MUNICIPAL PERSONNEL

The Chris Hani District Municipality has been successful in filling twenty two (37) vacant prioritised positions with … terminations during the 2021/2022 financial year.

COMPONENT B:

4.3 MANAGING THE MUNICIPAL WORKFORCE

4.3.1 Introduction To Municipal Workforce Management

Workforce management is part of the broader organisational management strategy which seeks to amongst others ensure that there is a defined process of accountability as well as adequate procedures to deal with administrative matters. To this end, the Municipal Council has approved a number of policies and procedures aimed at improving management and administration affairs within the municipality. Tabulated below are the policies that are in place:

4.3.1 Policies / Plans

Table: 78 Policy/ Plan Register

Name of HR Policy / Plan	Develop	Reviewed	Adoption date	Comment on non-review and non-adoption
Attraction and Retention	YES	NO	25 June 2015	

	Name of HR Policy / Plan	Develop	Reviewed	Adoption date	Comment on non-review and non-adoption
	Code of Conduct for employees	YES	Not Applicable	Still applicable and operational until 2023	SALGBC Main Collective Agreement on Conditions of Services
3.	Delegations, Authorisation & Responsibility (Supply Chain Management Policy)	YES	Yes	29 June 2020	N/A
4.	Disciplinary Code and Procedures	In place	Not Applicable	Still applicable and operational until 2023	SALGBC Main Collective Agreement on Conditions of Services
5.	Essential Services	N/A	N/A	N/A	N/A
6.	Employee Assistance / Wellness		In the process of review	25 June 2014	
7.	Employment Equity	YES		May 2019	
8.	Exit Management	INCORPORATED IN TO THE TERMINATION POLICY			
9.	Grievance Procedures	YES	Not Applicable	Still applicable and operational until 2023	SALGBC Main Collective Agreement on Conditions of Services
10.	HIV/Aids Workplace	N/A	N/A	N/A	SALGBC Collective Agreement in place
11.	Human Resource and Development	YES	NO	25 June 2015	
12.	Information Technology	YES	YES	30 June 2020	ICT Governance Framework adopted by council by 30 June 2020
13.	Job Evaluation	Yes	No	25 June 2013	
14.	Leave and Attendance	Yes	No	25 June 2014	
15.	Occupational Health and Safety	Yes	Due for review	2013	26 Feb 2014

Name of HR Policy / Plan	Develop	Reviewed	Adoption date	Comment on non-review and non-adoption
16. Official Housing	N/A	N/A	N/A	N/A
17. Subsistence and Travelling	Yes	Yes	26 Feb 2014	
18. Bereavement	Yes	No	25 June 2014	
19. Overtime	Yes	No	25 June 2015	
20. Organisational Rights	N/A	N/A	N/A	SALGBC Main Collective Agreement on conditions of services
21. Payroll Deductions	Governed by the legislative requirements			
22. Performance Management System Framework	Yes	100%	26 June 2019	N/A
23. Recruitment and Selection	Yes	No	25 June 2015	
24. Remuneration Scales and Allowances	In place	N/A	Not Applicable	South African Local Government Bargaining Council
25. Relocation	Yes	No	25 June 2014	
26. Sexual Harassment	Yes	No	27 May 2009	
27. Skills Development and Training	Yes	No	25 June 2015	
28. Smoking	Yes	No	27 May 2009	
29. Special Skills	N/A	N/A	N/A	N/A
30. Work Organisation	N/A	N/A	N/A	N/A
31. Uniforms and Protective Clothing	Yes	N/A	Adopted by Council on the 29 June 2020	
32. Employee Study Assistance	Yes	No	25 June 2015	
33. Transport allowance Policy	Yes	No	25 June 2015	
34. Placement	Yes	No	25 March 2018	
35. Telephone	Yes	No	27 May 2009	

Name of HR Policy / Plan	Develop	Reviewed	Adoption date	Comment on non-review and non-adoption
36. Termination	Yes	No	25 June 2015	
37. Induction	Yes	No	27 May 2009	
38. Experiential Training	Yes	No	25 June 2013	

Table 79: Injuries, Sickness and Suspensions

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken** Days	**Employees using injury leave** No.	**Proportion employees using sick leave** %	**Average Injury Leave per employee** Days	**Total Estimated Cost** R'000
Required basic medical attention only	41 days	7	0%	5	5375
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	41 days	7	0%	5	5375
					T 4.3.1

Table 80: Number of days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave** Days	**Proportion of sick leave without medical certification** %	**Employees using sick leave** No.	**Total employees in post*** No.	***Average sick leave per Employees** Days	**Estimated cost** R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0,15	30
Skilled (Levels 3-5)	40			22	0,26	
Highly skilled production (levels 6-8)	136			58	0,88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0,04	31
Senior management (Levels 13-15)	230			11	1,48	
MM and S57	65			8	0,42	
Total	**501**	**93%**	**12**	**155**	3,23	**61**
** - Number of employees in post at the beginning of the year* **Average is calculated by taking sick leave in column 2 divided by total employees in column 5*						*T 4.3.2*

4.4. **PERFORMANCE REWARDS**

The municipality has, as a response to the call by municipal council, set in place a process of cascading performance management to levels below Section 57 management. During the year under review, intensive engagements with all effected stakeholders were undertaken to review the

PMS framework to deal with performance management. The Reviewed Performance Management System (PMS) was then adopted by Council on the 29th June 2022. There were no performance bonuses/rewards that were awarded for the year under review for lower level employees and also Section 57 managers.

COMPONENT C:

4.5 CAPACITATING THE MUNICIPAL WORKFORCE

Introduction

Work Place Skills Development Plan was adopted by Council for the current financial year and has been implemented.

The Municipality also implemented a number of skills development-related programmes, which include:

Implementation of the Workplace Skills Plan 2021/22

Internships Programme

Study Assistance Programme

National Treasury Minimum Competency Requirement

The municipality has implemented its approved Workplace Skills Plan for 2021/2022 Financial Year. Two hundred and sixty three [263] employees have received training within this financial year at a cost of R 1 494 744.00 A total of fifteen [15] training interventions were implemented.

As part of building capacity of the workforce, the District Municipality provides for a Study Assistance Programme to enable employees who wish to further their studies to do so. The Study Assistance Programme benefits both the employee and the organization in that the skills of beneficiaries are enhanced thereby improving the level of performance and productivity. Within this current financial year fifteen [15] employees have received assistance to further their studies in the following fields:

Finance

Engineering

Disaster Management

Forestry

Administration

Labour Relations

4.5.1 Skills Development and Training

Table 83: Skills Matrix

Skills Matrix														
Management level	**Gender**	**Employees in post as at 30 June Year 0**	**Number of skilled employees required and actual as at 30 June Year 0**											
			Learnerships			**Skills programmes & other short courses**			**Other forms of training**			**Total**		
		No.	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**
MM and s57	Female		5							0	1			1
	Male		5							1	2		1	2
Councillors, senior officials and managers	Female		2							3	3		3	3
	Male		3							4	4		4	4
Technicians and associate professionals*	Female		4							2	2		2	2
	Male		8							8	9		8	9
Professionals	Female		8							6	6		6	6
	Male		6							2	2		2	2
Sub total	Female		19							11	12		11	12
	Male		22							15	17		15	17
Total		0	82	0	0	0	0	0	0	52	58	0	52	58
**Registered with professional Associate Body e.g CA (SA)*														*T 4.5.1*

Table 84: Financial Competency Development:

Table 85: Skills Development Expenditure

4.6 EMPLOYEE WELLNESS

4.6.1 Employee Health & Wellness

Integrated health and wellness programmes are aimed at enhancing and maintaining a healthy and productive workforce for the realisation of IDP objectives guided by relevant legislative framework and research. The programme entails provision on psycho-spiritual counselling and life coaching programmes, health management programmes, and organizational wellness and mainstreaming programmes for employees, councillors and their families. The principle of confidentiality and promoting human dignity is upheld in implementation of the health and wellness programmes.

Occupational Health and safety Act and Regulations 85 of 1993 sec 8 (1): mandates the employer to provide and maintain, as far reasonably practicable, a working environment that is safe and is without risks to the health and safety of his employees.

Wellness & OHS programmes are aimed at ensuring employees are working in a safe working environment and to improve the employee well- being as well as institutional performance.

The following OHS & Wellness programmes were implemented in 2021/2022 financial year:

- Change management.
- Building and strengthening Teamwork
- Importance of emotional intelligence
- Trauma debriefing, counselling, and grief sessions
- Education and awareness on COVID-19, importance of Hygiene, Personal protective clothing, management of chronic illnesses, prevention and management of Injury on duty and occupational diseases, domestic violence mental health , incapacity and disability management.
- Distribution of Personal protective clothing to water services, meter readers and cleaners.
- Medical surveillance and vaccination programme for water services employees.

+- 500 employees and councillors participated in various programmes.

4.7 LABOUR RELATIONS

Labour Relations Unit is mandated to promote sound employer-employee relations in the district municipality in order to fulfil the primary objectives of the Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act and SALGBC Collective Agreements. This is achieved through implementation of the following Labour Relations programs.

Local Labour Forum

The Local Labour Forum [LLF] is a forum established in terms of SALGBC Main Collective Agreement to promote employee participation in decision making on matters of mutual concern between employer and employee pertaining to workplace. It comprises of Councillors, Managers and Organised labour from both recognised trade unions. The meetings are held quarterly according to the Council calendar. There were eleven meetings held, Ordinary LLF meetings and Special LLF meetings. Critical issues engaged were organisational structure, national lockdown, job evaluation, placement, policies and strategies.

Capacity Building Programs

The following capacity building programmes and educational awareness were implemented to broaden knowledge and skills of managers and supervisors in order to promote professionalization and consequence management in the institution as well as to create a conducive working environment to enhance service delivery.

Workplace discipline

Awareness on Standard of Conduct & Grievance Procedure

Managing absenteeism & Discipline in the workplace.

Consequence Management

Disciplinary Enquiries

There were 30 disciplinary enquiries received from various directorates and facilitated by the department, some were conducted departmentally with the assistance of Labour Relations. Out of 30 cases, twenty two were finalised with sanction ranging from written warning, final written warning, suspension without pay and dismissals.

2.3.2 Suspensions

There were ….. suspensions effected during the period under review.

Grievances

The department received ….. grievances which were resolved, only one grievance was referred to SALGBC and subsequently withdrawn by the employee.

Appeals

Only ….. appeal was lodged as a result of disciplinary hearing outcome, which was upheld.

Disputes

There were …. disputes handled by the department, … dispute …… settlement agreement reached between Applicant and the Respondent, ….. mutual interest dispute unresolved and a certificate of non-resolution was issued.

…. disputes pending due to national lockdown, ….. dispute was in favour of the applicant and arbitration award taken under review at Labour Court.

COMPONENT D:

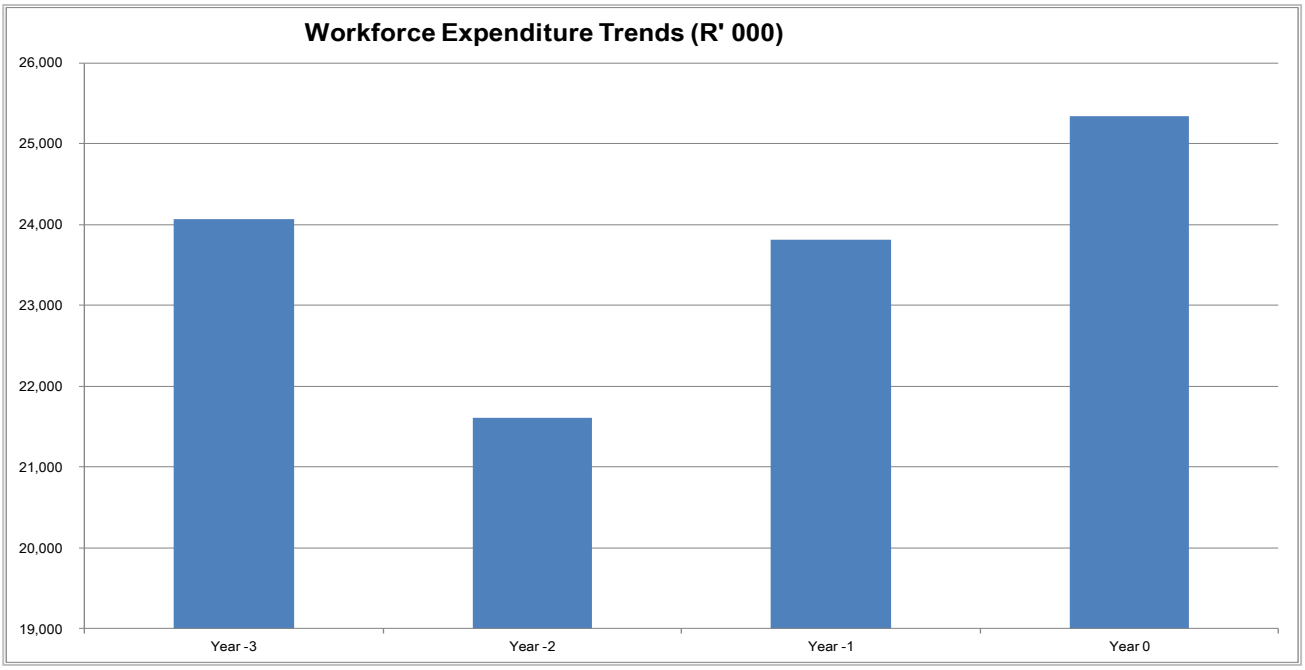
4.8 MANAGING THE WORKFORCE EXPENDITURE

Introduction

The Chris Hani District Municipality has made considerable efforts to ensure that the expenditure on workforce does not exceed the acceptable norm as determined by the National Treasury. As such, the expenditure on employees as a percentage of the total budget for the year remains below the 35% threshold. This suggests that the municipality has the ability to maintain the staff complement it needs whilst not compromising on the expenditure on service delivery.

4.8.1 Employee Expenditure

Table 86: Workforce Expenditure



Graph 14: employee expenditure

Upgraded Posts And Those That Are At Variance With The Normal Practice

A process of grading all positions within the municipality was undertaken and consequently, all positions within the institution are graded.

CHAPTER 5 FINANCIAL PERFORMANCE

This Chapter contains information regarding financial performance and highlights specific accomplishments. It comprises three components viz:

Component A: Statement of Financial Performance

Component B: Spending against Capital budget and

Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Introduction To Financial Statements

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 STATEMENT OF FINANCIAL PERFORMANCE

5.1.1 **RECONCILIATION OF TABLE A1 BUDGET SUMMARY**

Reconciliation of Table A1 Budget Summary

Description	2022								
R thousands	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance
	1	2	3	4	5	6	7	8	9
Financial Performance									
Property rates	–	–	–	–		–	–		–
Service charges	342 173	369 594	369 594			369 594	369 105		738 700
Interest Income	39 351	39 351	39 351			39 351	94 779		134 130
Transfers recognised -	678 553	688 528	688 528			688 528	665 916		1 354 445
Other own revenu	140 119	305 119	305 119			305 119	867		305 986
Total Revenue (excluding capital transfers and	**1 200 196**	**1 402 593**	**1 402 593**			**1 402 593**	**1 130 667 874,00**	**–**	**2 533 261**
Employee costs	362 920	372 920	372 920			372 920	407 022		
Remuneration of councillors	12 226	12 226	12 226			12 226	12 426		
Debt impairment	278 891	198 891	198 891			198 891	335 286		
Depreciation & amortisation	157 838	157 838	157 838			157 838	159 816		
Finance charges	510	510	510			510	2 842		
bulk purchases	20 265	28 885	28 885			28 885	38 773		
Transfers and grants	48 496	79 678	79 678			79 678	70 365		
Contracted Services	166 912	229 221	229 221			229 221	204 441		
Other expenditure	93 026	146 091	146 091			146 091	162 224		
Impairment loss/ Reversal of							100 556		
Total Expenditure	**1 141 083**	**1 226 260**	**1 226 260**			**1 226 260**	**1 493 751**		
Surplus/(Deficit)	**59 113**	**176 334**	**176 334**			**176 334**	**(363 083)**		
Transfers recognised -	563 391	601 787	601 787			601 787			
recognised - capital &							642 104		
Actuarial gain/loss							15 116		
Loss on disposal of							**(559)**		
Surplus/(Deficit) after capital transfers & contributions	**622 504**	**778 120**	**778 120**			**778 120**	**293 578**		
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**622 504**	**778 120**	**778 120**			**778 120**	**293 578**		
Capital expenditure & funds sources									
Capital expenditure	578 891	629 647	629 647			629 647			
Transfers recognised -	563 391	601 496	601 496			601 496	589 937		
Public contributions &							–		
Borrowing							–		
Internally generated funds	15 500	28 151	28 151			28 151			
Total sources of capital funds	**578 891**	**629 647**	**629 647**			**629 647**	**589 937**		
Cash flows									
Net cash from (used) operating	1 020 481	984 450	984 450			984 450	**585 162**		
Net cash from (used) investing	(576 244)	(626 647)	(626 647)			(626 647)	**(578 082)**		
Net cash from (used) financing							–		
cash and cash @ beginning	40 892	375 892	375 892			375 892	171 221		
Cash/cash equivalents at the	485 129	733 696	733 696			733 696	**179 300**		

5.1.2 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

Financial Performance of Operational Services						R '000
Description	2021	2022			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	202 583 407	684 949 887	658 812 321	844 220 118	18,87%	21,96%
Waste Water (Sanitation)	55 369 270	56 471 579	80 367 401	15 759 994	-258,32%	-409,95%
Electricity	–			–	–	–
Waste Management	–			–	–	–
Housing	–			–	–	–
Component A: sub-total	**257 952 677**	**741 421 466**	**739 179 722**	**859 980 112**	**13,79%**	**14,05%**
Waste Water (Stormwater Drainage)	–			–	–	–
Roads	1 829 687	–	1 712 475	–	–	–
Transport	–			–	–	–
Component B: sub-total	**1 829 687**	**-**	**1 712 475**	**-**	–	–
Planning	40 159 588	9 874 730	9 073 411	23 984	58,83%	62,17%
Local Economic Development	-	17 736 582	18 092 337	-	–	–
Component B: sub-total	**40 159 588**	**27 611 312**	**27 165 748**	**23 984 361**	-15,12%	-13,26%
Planning (Strategic & Regulatary)	–			–	–	–
Local Economic Development	–			–	–	–
Component C: sub-total	–			–	–	–
Community & Social Services	–			–	–	–
Enviromental Proctection	–			–	–	–
Health	59 389 797	55 416 375	56 631 243	52 566 810	-5,42%	-7,73%
Security and Safety	–			–	–	–
Sport and Recreation	–			–	–	–
Corporate and Other (MM& BTO)	317 333	316 633 468	401 570 465	403 596 262	21,55%	0,50%
Component D: sub-total	**376 722 794**	**372 049 843**	**458 201 708**	**456 163 072**	18,44%	-0,45%
Total Expenditure	**676 664 746**	**1 141 082 621**	**1 226 260**	**1 340 127 545**	14,85%	8,50%
In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						*T 5.1.2*

5.1.3 GRANT PERFORMANCE GRANT PERFORMANCE 5.2 GRANT PERFORMANCE

Grant Performance						
						R' 000
Description	2020/2021	2021/2022			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	**714 250,287**	**673 607,150**	**673 607,150**	**665 916,294**		
Equitable share	649 376,000	600 621 000	600 621 000	600 621,000		
Municipal Systems Improvement	–	4 031 000	4 031 000	–		
Department of Water Affairs	–			–		
Levy replacement	–			–		
FMG, EPWP, MIG, Rural Road Asset & Municipal DIS Covid 19	64 874,287	68 955 150	68 955 150	65 295,294		
Provincial Government:	**556 504,438**	**568 336,850**	**620 437,864**	**642 103,872**		
Health subsidy	–			–		
Housing	–	–	–	–		
Ambulance subsidy	–	–	–	–		
Sports and Recreation	–	–	–	–		
MDRG	–	–	5 000 000	3 426,511		
cogta MIG	228 495 532	243 525 850	243 525 850	286 061 929		
Water service Infra grant	69 949,485	83 000 000	103 000 000	76 841,192		
RBIG	258 059,421	241 811 000	268 912 014	275 774,240		
District Municipality:						
Other grant providers:	**426 601**	**–**	**301**	**641 028**		
LG SETA	426 601	–	301 144	641 028		
DEDEAT	-			-		
		–				
Total Operating Transfers and Grants	**1 271 181,326**	**1 241 944**	**1 294 346**	**1 308 661,194**		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						*T 5.2.1*

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The Asset Management Unit is responsible for the development and implementation of the Asset Management Policy of the Chris Hani District Municipality. It also manages the development, updating and maintenance of the asset register for the entire CHDM. Financial reporting of assets in terms of the applicable accounting standards resides within this division. It also facilitates the development and implementation of the Asset Management and Maintenance Plans for the different categories of assets.

The asset management functions of the Accounting Officer in terms of Chapter 8 of the MFMA as well as those of the Chief Financial Officer in terms of Chapter 9 of the MFMA are implemented by this division. This division also monitors the insurance profile of the municipality and loss of assets.

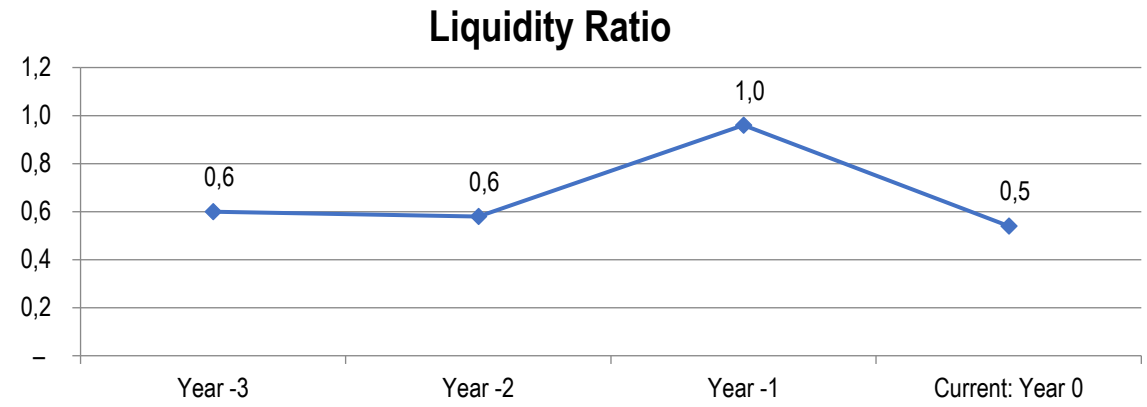
5.3.1 REPAIR AND MAINTENANCE EXPENDITURE:

I

Repair and Maintenance Expenditure: 2021				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	85 560 580	49 570 536	43 583 760,00	49%
				T 5.3.4

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

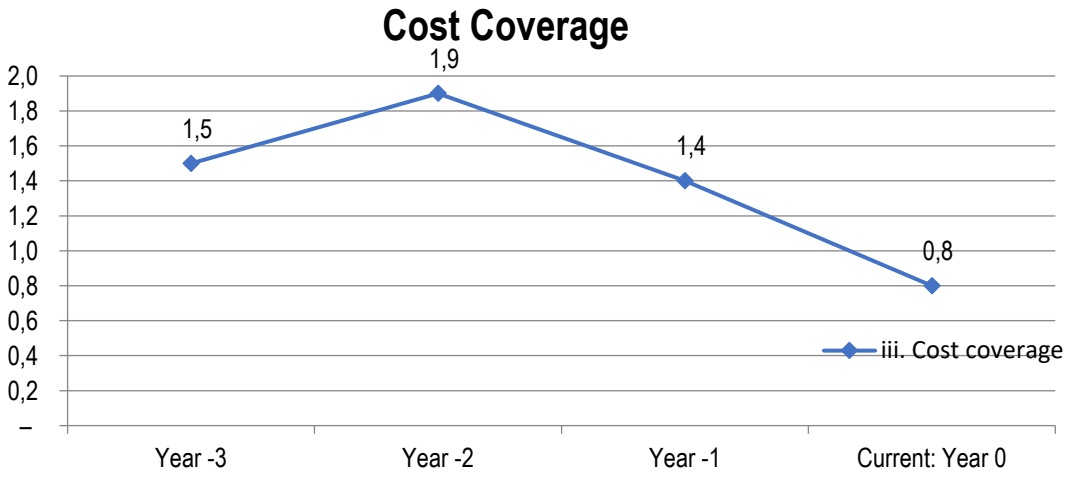
5.4.1 Liquidity ratio



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

Data used from MBRR SA8

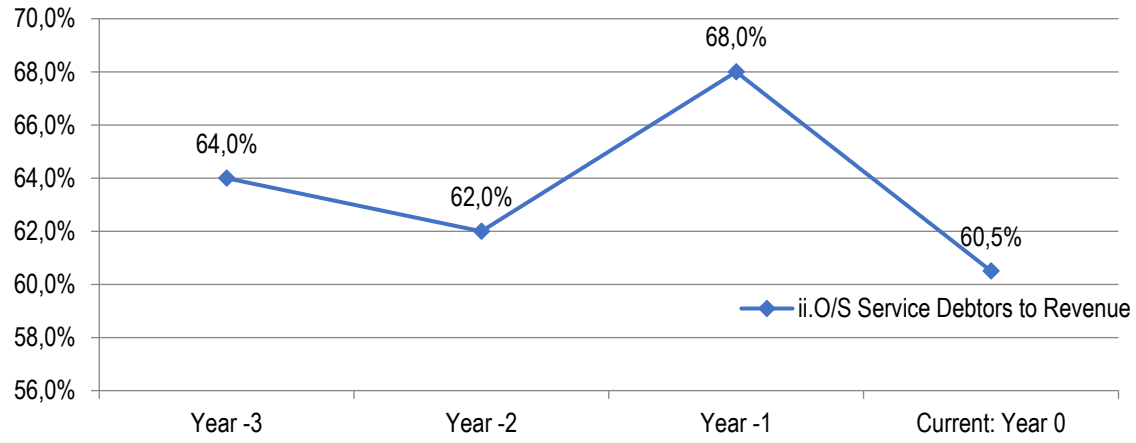
5.4.2 Cost Coverage



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

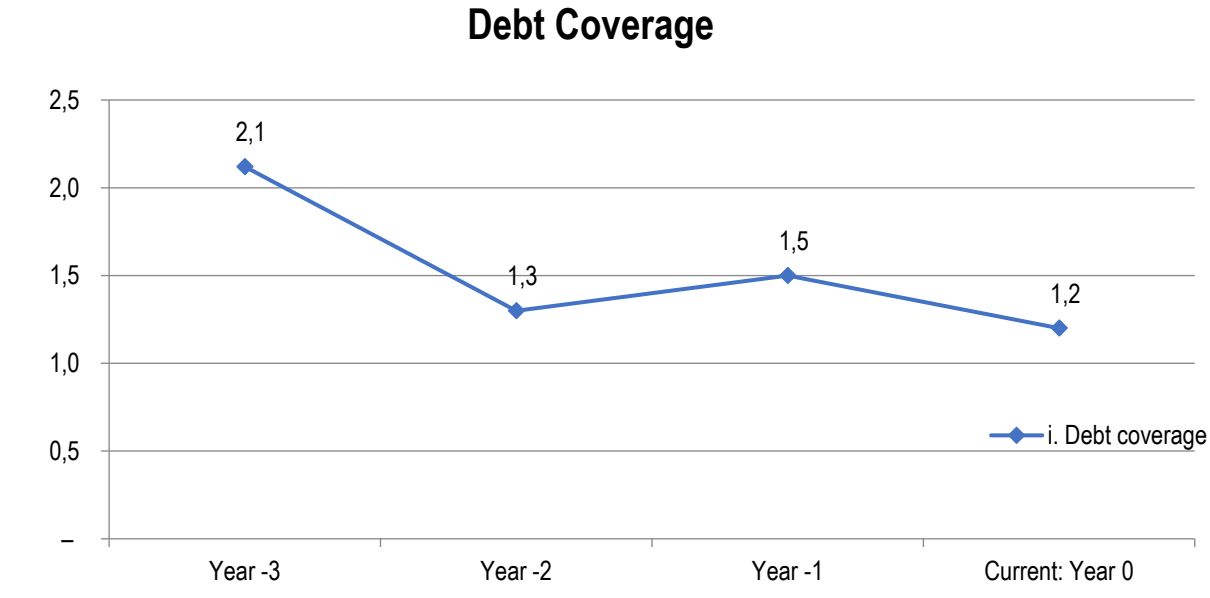
Data used from MBRR SA8

5.4.3 Total Outstanding Services



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

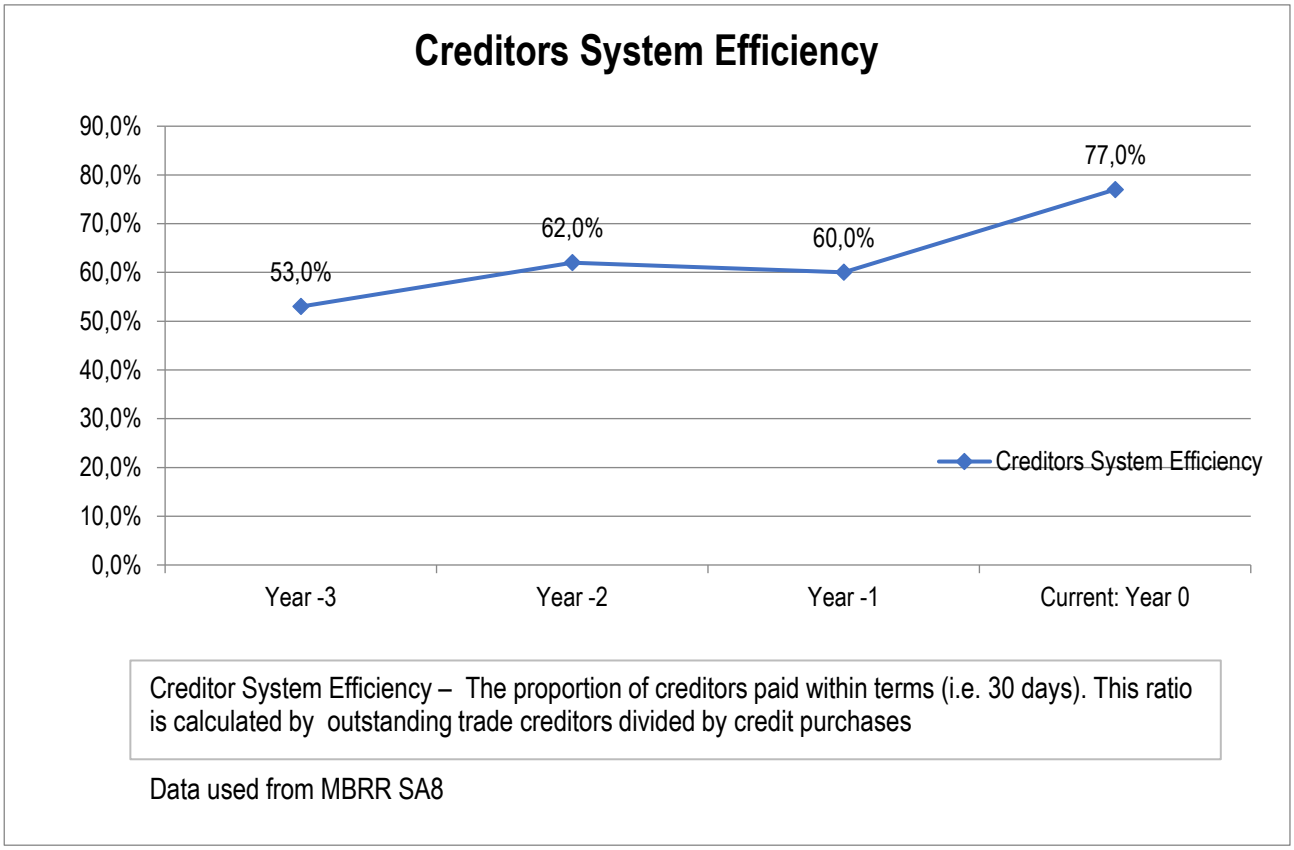
5.4.4 Debt Coverage



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

Data used from MBRR SA8

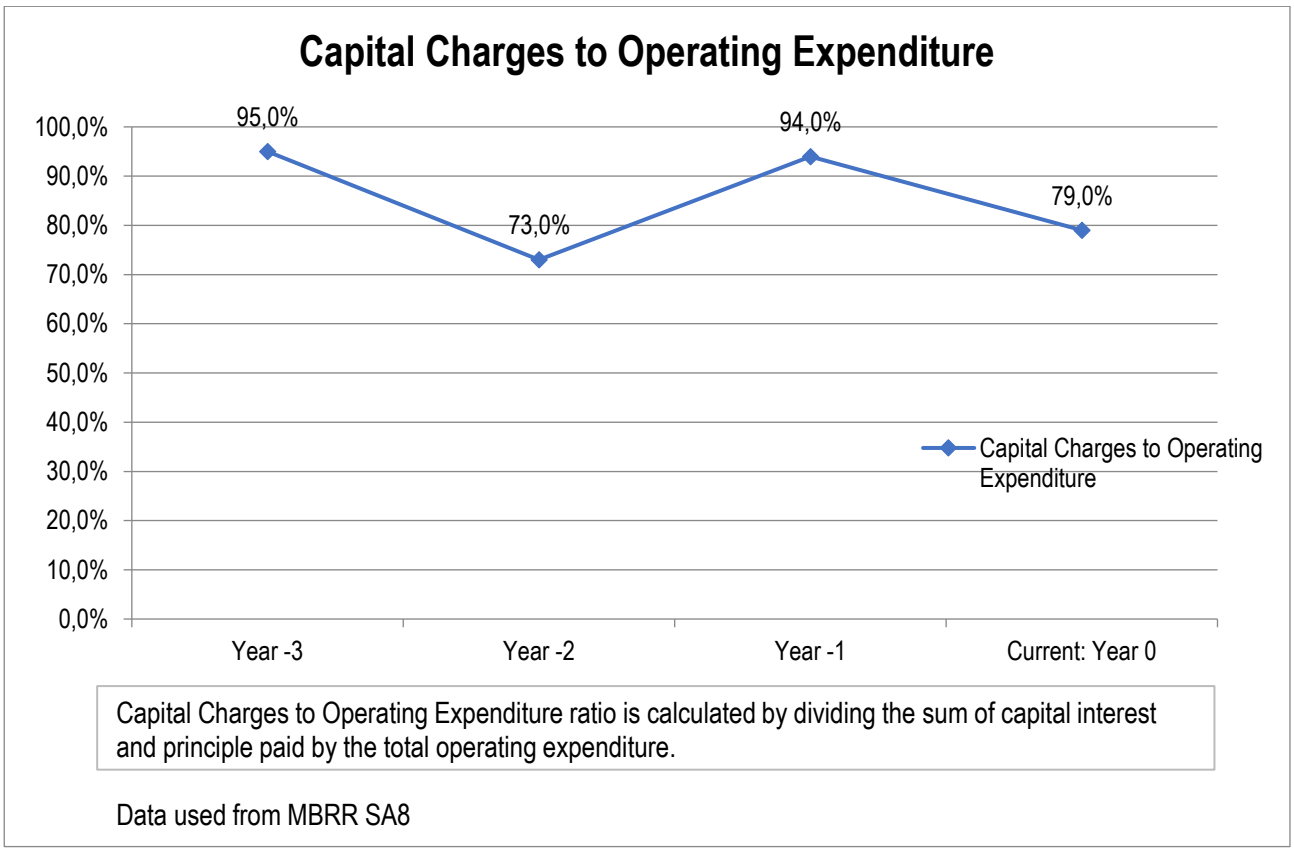
5.4.5 Creditors System Efficiency



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

Data used from MBRR SA8

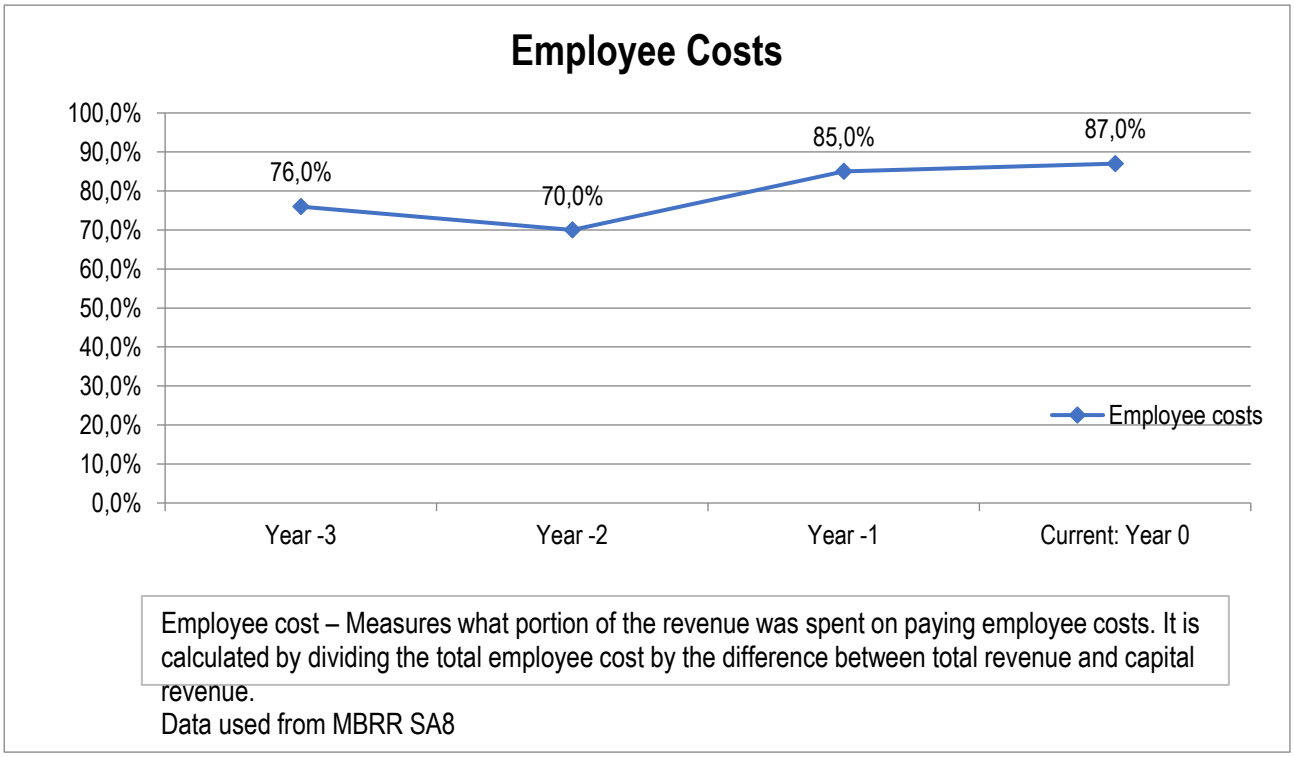
5.4.6 Capital charges to operating Expenditure



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

Data used from MBRR SA8

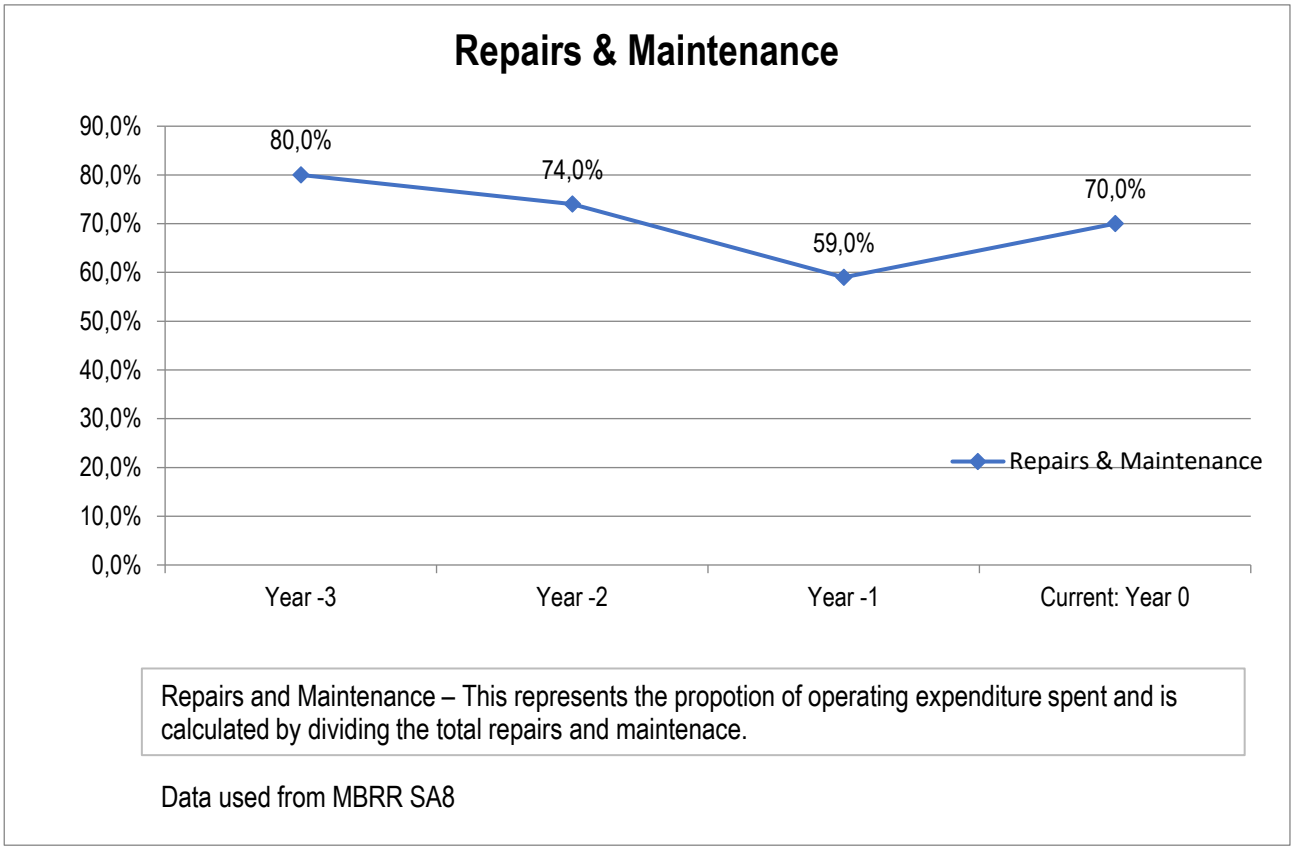
5.4.7 Employee costs



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

Data used from MBRR SA8

5.4.8 Repairs & maintenance



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Component B deals with capital spending indicating where the funding comes from and whether Chris Hani District Municipality was able to spend the funding as planned. Capital expenditure is funded from grants, borrowing, operating expenditure and surpluses.

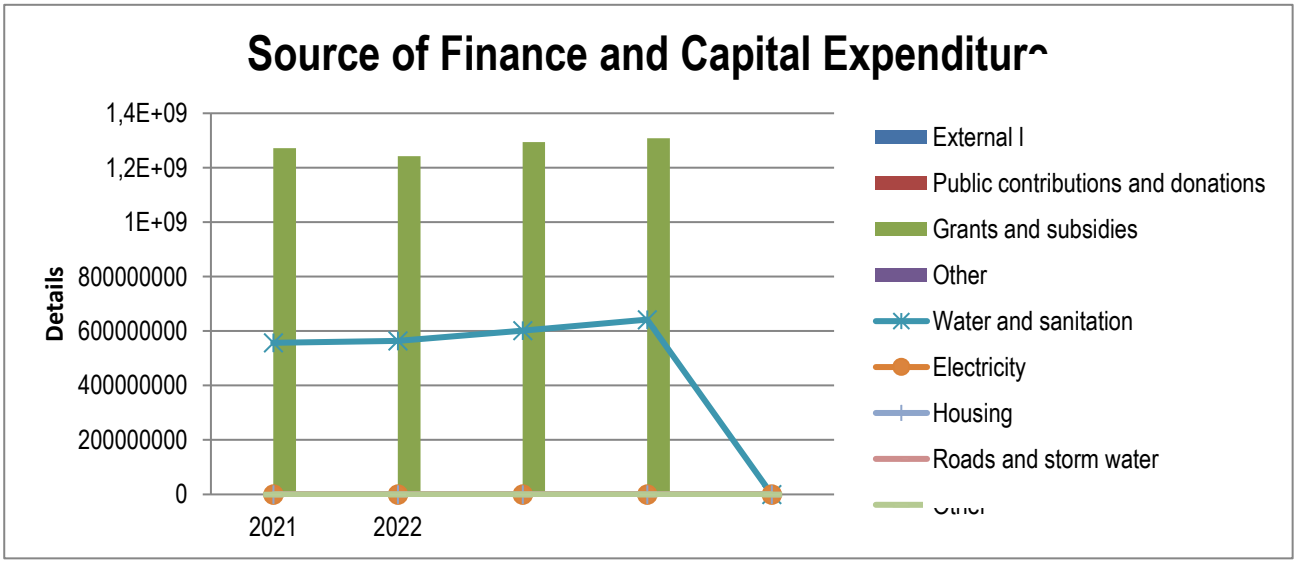
R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	578 891	629 647	589 937	-1,9%	6,3%
Operating Expenditure	1 141 083	1 226 260	1 494 310	-31,0%	-21,9%
Total expenditure					
Water and sanitation	563 391	601 496	676 684	-20,1%	-12,5%
Electricity	–	–	–		
Housing	–	–	–		
Roads, Pavements, Bridges and storm water	–	–	–		
Other	16	28	–	100,0%	100,0%
	–	**–**	**–**		
External Loans	–	–	–		
Internal contributions	–	–	–		
Grants and subsidies					
Other					
	–	**–**	**–**		
External Loans	–	–	–		
Grants and subsidies	1 242	1 294	1 308	-5,3%	-1,1%
Investments Redeemed	–	–	–		
Statutory Receipts (including VAT)	–	–	–		
Other Receipts			464 752		
Salaries, wages and allowances	362 920	372 920	407 022	-12,2%	-9,1%
Cash and creditor payments					
Capital payments	578 891	629 647	589 937	-1,9%	6,3%
Investments made	–	–	–		
External loans repaid	–	–	–		
Statutory Payments (including VAT)	–	–	–		
Other payments	–	–	–		

	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates					
Service charges	342 173	369 594	369 105	-7,9%	0,1%
Other own revenue	85 470	250 470	95 646	-11,9%	61,8%
			464 752		
Employee related costs	362 920	372 920	407 022	-12,2%	-9,1%
Renumeration of councillors	12 226	12 226	12 426	-1,6%	-1,6%
Contracted Service	166 912	229 221	204 441	-22,5%	10,8%
Bulk purchases	20 265	28 885	38 773	-91,3%	-34,2%
Other expenditure	578 760	583 008	495 804	14,3%	15,0%
	1 141 083	**1 226 260**	**1 158 466**	-1,5%	5,5%
Service charges: Electricity	–	–	-		
Grants & subsidies: Electricity	–	–	–		
Other revenue: Electricity	–	–	–		
			–		
Employee related costs: Electricity	–	–	–		
Provision for working capital: Electricity	–	–	–		
Repairs and maintenance: Electricity	–	–	–	%	
Bulk purchases: Electricity					
Other expenditure: Electricity	–	–	–		
			–		
Service charges: Water	274 388	296 388	304 390	-10,9%	-2,7%
Grants & subsidies: Water					
Other revenue: Water					
	274 388	**296 388**	**304 390**	-10,9%	-2,7%
Employee related costs: Water	154 914	166 729	202 610	-30,8%	-21,5%
Provision for working capital: Water					
Repairs and maintenance: Water	42 986	53 996	29 645	31,0%	45,1%
Bulk purchases: Water	20 265	28 885	38 773	-91,3%	-34,2%
Other expenditure: Water	467 385	409 886		100,0%	100,0%
	685 550	**659 496**	**271 027**	60,5%	58,9%

5.6 SOURCES OF FINANCE

5.6.1 Capital Expenditure

Capital Expenditure - Funding Sources: Year -1 to Year 0 R' 000							
Details		2021	2022				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	0	0
	Public contributions and donations	0	0	0	0	0	0
	Grants and subsidies	1 271 322	1 241 944	1 294 346	1 308 020 166,00	4,22%	5,32%
	Other	0	0	0	0	0	0
Total						**4,22%**	**5,32%**
Percentage of finance							
	External loans	0,0%	0,0%	0,0%	0,0%	0	0
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0	0
	Grants and subsidies				%	0	0
	Other	0,0%	0,0%	0,0%	0,0%	0	0
Capital expenditure							
	Water and sanitation	556 504	563 391	601 496	642 103 872,00	6,76%	13,97%
	Electricity	0	0	0	0	0	0
	Housing	0	0	0	0	0	0
	Roads and storm water	0	0	0	0	0	0
	Other	0	0	0	0	0	0
Total						**6,76%**	**13,97%**
Percentage of expenditure							
	Water and sanitation					100,0%	100,0%
	Electricity	0	0	0	0	0,0%	0,0%
	Housing	0	0	0	0	0,0%	0,0%
	Roads and storm water	0	0	0	0	0,0%	0,0%
	Other					0,0%	0,0%
T 5.6.1							



5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS (Engineering)

5.7.1 Capital Expenditure of 5 largest projects

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Mhlanga water supply	23 700 000	15 206 737	15 206 737	36%	36%
B - Tsomo waste water treatment works	17 000 000	16 429 472	15 380 293	10%	3%
C - EU sanitation	74 191 999	76 241 936	74 448 029	0%	-3%
D - Intsika Yethu sanitation project ward 8	23 364 843	34 098 282	33 007 254	-41%	-46%
E - Cluster 9 water treatment works	43 200 000	64 140 387	41 109 460	5%	-48%
** Projects with the highest capital expenditure in Year 0*					
Name of Project - A	Mhlanga water supply				
Objective of Project	Provide water supply to communities				
Delays	COVID and seven week community protest regarding wanting extra labour employed. Matter was resolve				
Future Challenges	Water supply from bulk fom dma levels due to drought conditions				
Anticipated citizen benefits	1445 households will be served once water comes on line in February 2021				
Name of Project - B	Tsomo waste water treatment works				
Objective of Project	Provide waste water treatment plant treat sewerage of Tsomo town				
Delays	Contractor performance and appointment of smme				
Future Challenges	None				
Anticipated citizen benefits	4943 households to benefit in long term on completion of future developments in town currently there are 2250 existing households				
Name of Project - C	EU sanitation				
Objective of Project	Provide rural community households with basic VIP sanitation toilets				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	4698 households benefitting				
Name of Project - D	Intsika Yethu sanitation project ward 8				
Objective of Project	Provide rural community households with basic VIP sanitation toilets				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	1597 households benefitting				
Name of Project - E	Cluster 9 water treatment works				
Objective of Project	Provide treated quality water to communities to Cluster 9, tsomo town, Cluster 8 ADM cross border villages				
Delays	Contract performance in terms completing project timeously				
Future Challenges	Securing additional funds to complete overall project				
Anticipated citizen benefits	13013 households on completion of full scope of project				
T 5.7.1					

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS (Engineering)

5.8.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The mandate of Chris Hani District Municipality is to deliver water and sanitation to the district.

5.8.1.1 Service Backlogs 20182019

Service Backlogs as at 30 June Year 2020 Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	150988	69	67227	31
Sanitation	171478	79	46727	21
Electricity		%		%
Waste management		%		%
Housing		%		%
*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*				*T 5.8.2*

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Managing the cash resources as Chris Hani District Municipality remains a key requirement to ensure liquidity of the Municipality in order to meet its financial obligations, both currently and into a sustainable future.

Cash flow is actively monitored to enable the municipality to meet its obligations as they become due. Both major revenue (grants, equitable share etc.) and expenditure (purchases and loan repayments) categories have been identified and accounted for appropriately to ensure that repayments are made on time and that surplus funds are invested in order to earn a favourable return on investment.

5.9 CASH FLOW

5.9.1 Cash Flow Outcomes

Cash Flow Outcomes				R'000
Description	2020/2021	2021/2022		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	**1 389 925**	**1 610 128**	**1 575 817**	**1 486 066**
sale of goods and services	111 076	333 778	244 613	167 452
Grants				
Government - operating	714 818	673 607	674 817	665 916
Government - capital	556 504	563 391	617 035	642 104
Interest	7 527	39 351	39 351	10 594
Other revenue	–			–
Payments	**(715 262)**	**(715 262)**	**(715 262)**	**(899 905)**
Employees	(389 196)	(362 920)	(372 920)	(419 448)
Finance charges	(325 610)	(510)	(510)	(477 615)
Suppliers	(456)	(280 653)	(404 647)	(2 842)
other payments	–	(48 496)	(79 678)	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**674 662 769**	**894 865 644**	**860 555 079**	**586 161 684**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts	**1 638**	**3 000**	**3 000**	**317**
Proceeds on disposal of PPE	1 638	3 000	3 000	317
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments	**(545 327)**	**(545 327)**	**(545 327)**	**(578 400)**
Capital assets	-545 326 950	(578 891)	(629 647)	-578 399 750
NET CASH FROM/(USED) INVESTING ACTIVITIES	**-543 689 217**	**-1 118 218 281**	**(1 168 974)**	**-578 082 443**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts	–	–	–	–
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments	–	–	–	–
Repayment of borrowing	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**128 974**	**444 237**	**357 804**	**8 079**
Cash/cash equivalents at the year begin:	**42 247 058**	**40 892**	**375 892**	**171 220 612**
Cash/cash equivalents at the year end:	**171 220 612**	**485 129**	**733 696**	**179 299 853**
Source: MBRR A7				

5.12 COMPONENT D: OTHER FINANCIAL MATTERS (SCM)

SUPPLY CHAIN MANAGEMENT

All Supply Chain Management officials comply with the prescribed levels required for their positions in terms of the MFMA Competency Regulation Guidelines.

The Chris Hani District Municipality have adopted and implemented the following policies and practices relating to Supply Chain Management:

Supply Chain Management Policy

Cost Containment Policy

Contracts Management Policy

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS
COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS 2021/2022

6.1 **Auditor General Report 2021/2022**

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

Report on the audit of the consolidated and separate financial statements

Qualified Opinion

1. I have audited the consolidated and separate financial statements of the Chris Hani District Municipality set out on pages ... to ... which comprise the consolidated and separate statement of financial position as at 30 June 2022, the consolidated and separate statement of financial performance, the statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information 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, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Chris Hani District Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Receivables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions due to the limitations on the opening balance and allowance for impairment and differences between age analysis and financial statements, which had an impact on the receivables from exchange transactions. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transactions stated at R355,7 million (2021: R346,9 million) and the debt impairment expense stated at R335,3 million (2021: R383,5 million) in the financial statements, and interest revenue from debtors stated at R84,2 million (2021: R62,8 million) in note 24 to the consolidated and separate financial statements.

VAT payable

4. I was unable to obtain sufficient appropriate audit evidence for VAT payable due to the limitations and disagreements of receivables from exchange transactions and revenue from exchange transactions, which have an impact on the calculation of VAT payable. I could not confirm the VAT payable by alternative means. Consequently, I was unable to determine the

full extent of the misstatement of VAT payable stated at R121,1 million (2021: 9,5 million) in note 8 to the consolidated and separate financial statements.

Inventories

5. During 2021 and 2022 the municipality did not account for inventory in accordance with the GRAP 12, *Inventories*. Bulk water purchases and chemicals to purify the water were directly expensed and there was no closing balance for water inventory accounted on the annual financial statements. I could not confirm the balance of inventory by alternative means. Consequently, I was unable to determine the full extent of the understatement of inventories stated at R20,9 million (2021:R14 million), bulk purchases stated at R38,8 million (2021:R33,6 million) and chemicals stated at R7,4 million (2021:R13,9 million) in note 34 to the consolidated and separate financial statements.

Revenue from exchange transactions

6. The municipality did not recognise service charges revenue, as required by GRAP 9, *Revenue from exchange transactions*. Revenue was billed using incorrect rates, incorrect consumption units were used, and some customers were not billed throughout the year. Consequently, I was unable to determine the full extent of the misstatement of service charges stated at R369,1 million and receivables from exchange transations stated at R355,7 million in the consolidated and separate financial statements.

7. Furthermore, in my previous year's audit report, I modified my opinion on revenue from exchange transactions in the financial statements due to the poor state of accounting records as supporting documents to substantiate the estimates on revenue were not submitted. Management incorrectly used the current year credit control rates and debt collection policy to correct the prior year limitation. I could not confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to sale of water service charges, stated at R350,7 million in note 20 to the consolidated and separate financial statements.

Contracted services

8. The municipality did not recognise contracted services in accordance with GRAP 1, *Presentation of financial statements*. The municipality recorded expenses that relate to the prior year in the current financial year. As a result, contracted services were overstated by R30,9 million and the accumulated surplus was overstated by R30,9 million in the consolidated and separate financial statements.

General expenses

9. The municipality did not recognise general expenses in accordance with GRAP 1, *Presentation of financial statements*. The municipality recorded expenses inaccurately as the expenditure recorded did not agree to the consumption billed and the expenditure recorded was inclusive of VAT. As a result, general expenses were overstated by R17,6 million (2021: R20,9 million) and payables from exchange transactions were overstated by R17,6 million (2021: R20,9 million) in the consolidated and separate financial statements.

Irregular expenditure

10. The municipality did not include irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. This was due to payments made in contravention of the supply chain management requirements and municipal cost containment measures, which resulted in irregular expenditure of R103,1 million (2021: R47,2 million) in note 49 to the consolidated and separate financial statements.

Water distribution losses

11. During 2021 and 2022 the municipality did not account for water distribution losses in accordance with the GRAP 1, *Presentation of financial statements*. The municipality could not support rates used in the calculation of losses and revenue was not accounted for correctly which affected the losses. I could not confirm the water distribution losses by alternative means. Consequently, I was unable to determine the full extent of the water distribution losses stated at R93,1 million (2021: R75,3 million) in note 51 to the consolidated and separate financial statements.

Cash flow statement

12. The group did not correctly prepare and disclose the net cash flows from operating and investing activities as required by Standards of GRAP 2, *Cash flow statements*. This was due to errors identified in interest received and payments to suppliers and errors in calculating additions for property plant and equipment. I was not able to determine the full extent of the errors in the net cash flows from operating and investing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating and investing activities as stated at R585,6 million (2021:R706,5 million) and R577,7 million, respectively, in the consolidated and separate financial statements were necessary.

Context for the opinion

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

14. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

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

Restatements of corresponding figures

17. As disclosed in note 43 to the consolidated and separate financial statements, the corresponding figures for 30 June 2021 have been restated because of errors in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2022.

Impairment loss on property plant and equipment

18. As disclosed in notes 4 and 30 to the consolidated and separate financial statements, property plant and equipment of R4,9 billion (2021: R4,6 billion) was impaired.

Other matters

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the consolidated and separate financial statements

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

22. 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.

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

23. 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.

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

Report on the audit of the annual performance report

Introduction and scope

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

26. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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

Key performance area	Pages in the annual performance report
KPA – basic services and infrastructure development	x – x

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

29. The material finding on the usefulness of the performance information of the selected KPA is as follows:

SDI 14 – % wastewater quality compliance in accordance with regulation 991 and section 39 of the National Water Act 36 of 1998 as amended for compliance

30. The planned target for this indicator was not well defined and measurable as the method of calculation per the indicator description included in the annual performance report did not agree with the method of calculation performed by management to test the overall compliance percentage per sample taken.

Other matters

31. I draw attention to the matters below.

Achievement of planned targets

32. Refer to the annual performance report on page(s) x to x; x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material finding on the usefulness of the reported performance information in paragraph 29 of this report.

Adjustment of material misstatements

33. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA – basic services and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements, performance reports and annual reports

36. The annual financial statements submitted to be audited were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

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

38. An adequate management, accounting and information system that recognised expenditure when it was incurred and accounted for creditors was not in place, as required by section 65(2)(b) of the MFMA.

39. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by the contracts that exceeded their duration and the scope of work that was exceeded without following proper processes of section 116 of the MFMA.

40. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R4,0 million as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on overdue accounts.

41. Reasonable steps were not taken to prevent unauthorised expenditure of R284,2 million as disclosed in note 47 to the consolidated and separate annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Revenue management

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

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

44. Revenue due to the municipality was not calculated monthly, as required by section 64(2)(b) of the MFMA. The non-compliance resulted in a material irregularity as reported in the section on material irregularities

45. Accounts for service charges were not prepared monthly, as required by section 64(2)(c) of the MFMA.

Assets management

46. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Consequence management

47. Some unauthorised expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.

48. Some irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Strategic planning and performance management

49. The performance management system and related controls were not adequately maintained as required by municipal planning and performance management regulation 7(1). Internal control deficiencies in the review and reconciliation of the quarterly reports used to prepare the annual performance report were not adequately performed and material misstatements on usefulness were identified.

Procurement and contract management

50. The performance of some contractors or providers was not monitored monthly, as required by section 116(2)(b) of the MFMA.

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

Other information

52. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.

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

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

55. 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

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

57. There was insufficient oversight to ensure consistent implementation and monitoring of controls over financial, performance information and compliance with legislation. This was due to a lack of capacity and accountability as well as inadequate communication between departments within the municipality.

58. The municipality did not have a proper system of records management for the financial environment as material misstatements were identified, resulting in a qualified audit opinion.

59. The municipality did not have adequate systems to monitor compliance with all applicable legislation, and as a result, non-compliance with legislation was not prevented. There was inadequate supervision, monitoring and consequence management in respect of the management of the operations of the municipality.

60. The reporting with recommendations provided by the internal audit unit was not implemented timeously and adequately by management to address or reduce findings raised through the external audit process. In addition, although the audit committee reviews the municipality's performance management system on a quarterly basis, the reviews were not adequate as they did not have a positive impact on the improvement of internal controls, as material findings were still identified through the audit process.

61. Although the municipality developed an audit action plan to address audit findings; however, this audit action plan was not implemented throughout the year, resulting in recurring material misstatements in the current year.

Material irregularities

62. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Material irregularies identified during the audit

Payment for goods not received

63. The municipality paid an engineering company R20 million for an extension of time with cost for the project Cluster 9 Backlog Eradication: Tsomo Water Treatment and River Abstraction Works – Tender No. 33/2015/MD (TN) for which the municipality did not receive any value. The payment for the extension of time was made as a result of variation order number 3 dated

12 September 2019, which was for preliminary and general costs of R12,1 million and contract price adjustments of R5,2 million that were already included in the contract for the tender and no additional value was received for these. The VAT on these costs was R2,6 million and is included in the total payment of R20 million to the contractor for the extension of time to the contract. The municipality's process for ensuring that payments were made to the contractor for goods and services that are received was not effective, as it did not prevent the municipality from paying an additional amount of R20 million to the contractor for preliminary and general costs and contract price adjustments without receiving any value.

The municipality, therefore, did not comply with section 65(2)(a) of the MFMA, which requires that reasonable steps are taken to ensure that the municipality has and maintains an effective system of expenditure control including procedures for the approval, authorisation, withdrawal and payment of funds. The non-compliance resulted in a material financial loss of R20 million by 12 March 2021 for the Chris Hani District Municipality.

The accounting officer was notified of the material irregularity on 19 October 2021. The accounting officer responded by disagreeing that the municipality received value for money for the extension of time granted on the project as the project was already at 94% of completion at the time when the request for the extension was made. Therefore the Accounting officer has not taken any action in response to being notified of the material irregularity.

I referred the material irregularity to the Special Investigating Unit (SIU) on 6 July 2022 for investigation as provided for in section 5(1A) of the PAA.

Material irregularities in progress

64. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in the next year's auditor's report.

Other reports

65. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

66. The Hawks are investigating allegations of maladministration, corruption and tender irregularities in the procurement process of ventilated improved pit toilets.

67. At the date of this report, the investigation was still in progress.

Auditor-General

Auditor-General

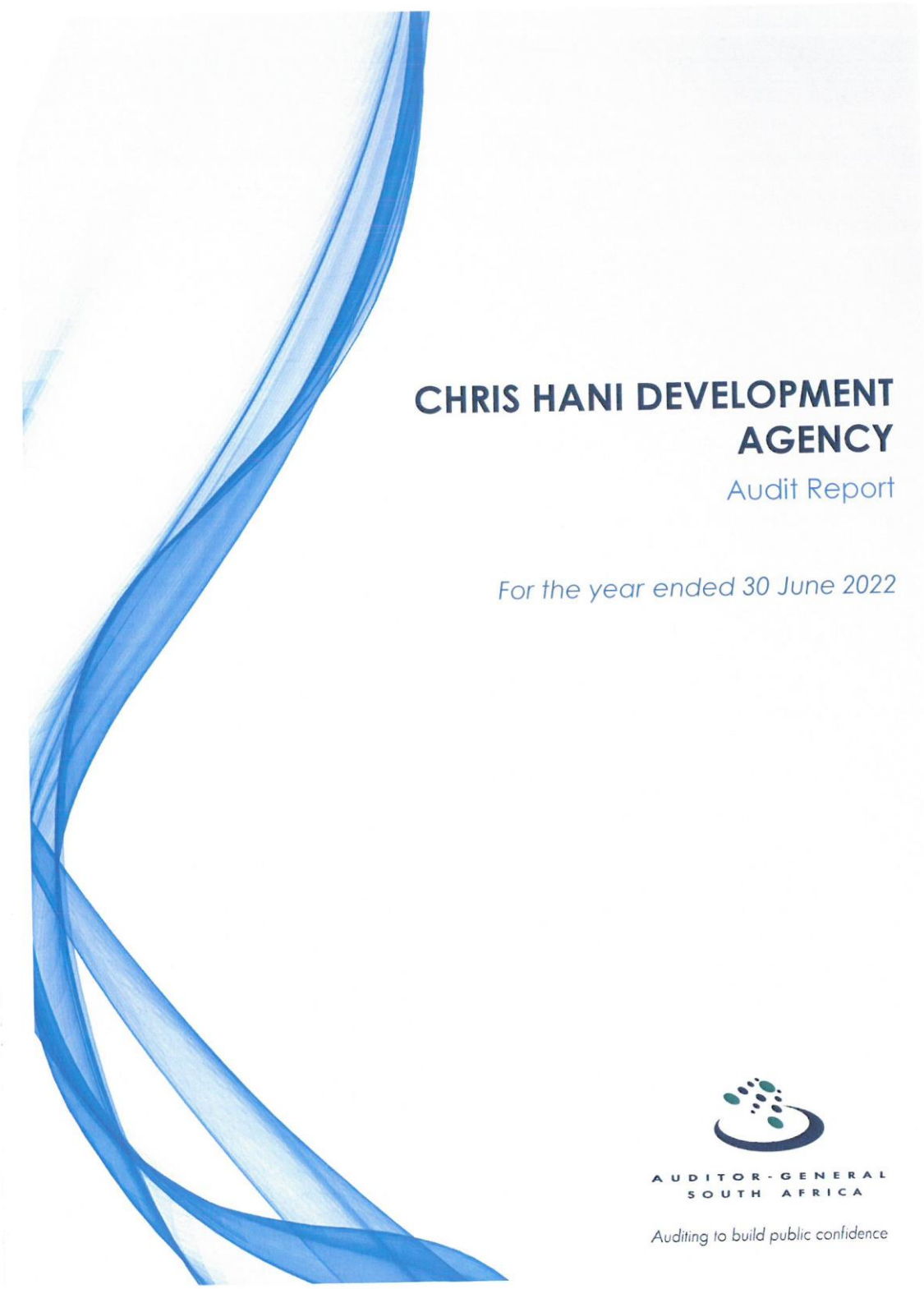
East London

5 December 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

6.2 Chris Hani Development Agency Audit Report 2020/2021



Report of the auditor-general to Eastern Cape Provincial Legislature and council on the Chris Hani Development Agency SOC Ltd

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Chris Hani Development Agency SOC Ltd set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for effects of the matter described on the basis for qualified opinion section of this auditors report, the financial statements present fairly, in all material respects, the financial position of the Chris Hani Development Agency SOC Ltd as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with South African Standard of Generally Recognised Acounting Practice and the requirements of the Municipal Financial Management Act 56 of 2003 (MFMA) and Companies Act of South Africa, 2008 (Act No 71 of 2008(the Campanies Act).

Basis for opinion

Prior period errors

3. The municipal entity had incorrectly disclose previous period errors in note 34 to the financial statements, as required by GRAP 3, Accounting policies, estimates and errors. The nature and the amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest previous period were incorrectly disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for the previous period errors disclosed, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the previous period errors disclosed in the financial statements.

Corresponding figures

Net cash flows from investing activities

4. The municipal entity did not correctly prepare and disclose the net cash flows from investing activities as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments

to cash flows from investing activities as stated at R18,8 million. in the financial statements were necessary.

Context for the opinion

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

6. I am independent of the municipal entity 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.

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

Other matter

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

Unaudited disclosure notes

9. In terms of section 125(2)(e) of the MFMA, the municipal entity is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standard of GRAP and the requirements of the MFMA and Companies Act, and for such internal control as the accounting authoritydetermines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, the accounting authorityis responsible for assessing the municipal entity'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 municipal entity or to cease operations, or has no realistic alternative but to do so.

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of

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

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

Report on the audit of the annual performance report

Introduction and scope

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

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipal entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipalenabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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

Programme	Pages in the annual performance report
Programme 3: To Develop viable and sustainable rural economies	x – x

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

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of to develop viable and sustainable rural economies . As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual Financial Statements

23. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of property, plant and equipment, receivables from exchange transactions, Revenue from non-exchange transactions and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

24. Money owed by the municipal entity was not always paid within 30 days as required by section 99(2)(b) of the MFMA.

25. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 95(d) of the MFMA. As the entit incurred a total fruitless and wasteful expenditure of R1,2 million in the current financial year. The majority of the disclosed

fruitless and wasteful expenditure was caused by late payments by the entity which resulted in interest and penalties being accrued.

Procurement and contract management

26. Measures to combat the abuse of the SCM system were not implemented as per the requirements of SCM Regulation 38(1), because one contract was awarded to provider who has committed a corrupt or fraudulent act in competing for the contract.

Other information

27. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act.The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. I have nothing to report in this regard.

Internal control deficiencies

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

31. There was insufficient oversight to ensure consistent implementation and monitoring of controls over financial, performance information and compliance with legislation. This was due to a lack of capacity and accountability.

32. The municipal entity did not have adequate systems to monitor compliance with all applicable legislation, and as a result, non-compliance with legislation was not prevented. There was inadequate supervision, monitoring and consequence management in respect of management of the operations of the municipal entity.

33. Although the municipal entity developed an audit action plan to address audit findings, however, this audit action plan was not implemented throughout the year and therefore resulting in recurring material misstatements in the current year.

Auditor General

East London

30 June 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

6.3 Chris Hani Development Agency Audit Report 2021/2022

Report of the auditor-general to Eastern Cape Provincial Legislature and council on the Chris Hani Development Agency SOC Ltd

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Chris Hani Development Agency SOC Ltd set out on pages … to …, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for effects of the matter described on the basis for qualified opinion section of this auditors report, the financial statements present fairly, in all material respects, the financial position of the Chris Hani Development Agency SOC Ltd as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with South African Standard of Generally Recognised Acounting Practice and the requirements of the Municipal Financial Management Act 56 of 2003 (MFMA) and Companies Act of South Africa, 2008 (Act No 71 of 2008(the Campanies Act).

Basis for opinion

Prior period errors

3. The municipal entity had incorrectly disclose previous period errors in note 34 to the financial statements, as required by GRAP 3, Accounting policies, estimates and errors. The nature and the amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest previous period were incorrectly disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for the previous period errors disclosed, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the previous period errors disclosed in the financial statements.

Corresponding figures

Net cash flows from investing activities

4. The municipal entity did not correctly prepare and disclose the net cash flows from investing activities as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments

to cash flows from investing activities as stated at R18,8 million. in the financial statements were necessary.

Context for the opinion

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

6. I am independent of the municipal entity 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.

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

Other matter

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

Unaudited disclosure notes

9. In terms of section 125(2)(e) of the MFMA, the municipal entity is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standard of GRAP and the requirements of the MFMA and Companies Act, and for such internal control as the accounting authoritydetermines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, the accounting authorityis responsible for assessing the municipal entity'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 municipal entity or to cease operations, or has no realistic alternative but to do so.

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of

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

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

Report on the audit of the annual performance report

Introduction and scope

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

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipal entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipalenabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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

Programme	Pages in the annual performance report
Programme 3: To Develop viable and sustainable rural economies	x – x

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

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of to develop viable and sustainable rural economies . As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual Financial Statements

23. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of property, plant and equipment, receivables from exchange transactions, Revenue from non-exchange transactions and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

24. Money owed by the municipal entity was not always paid within 30 days as required by section 99(2)(b) of the MFMA.

25. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 95(d) of the MFMA. As the entit incurred a total fruitless and wasteful expenditure of R1,2 million in the current financial year. The majority of the disclosed

fruitless and wasteful expenditure was caused by late payments by the entity which resulted in interest and penalties being accrued.

Procurement and contract management

26. Measures to combat the abuse of the SCM system were not implemented as per the requirements of SCM Regulation 38(1), because one contract was awarded to provider who has committed a corrupt or fraudulent act in competing for the contract.

Other information

27. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act.The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. I have nothing to report in this regard.

Internal control deficiencies

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

31. There was insufficient oversight to ensure consistent implementation and monitoring of controls over financial, performance information and compliance with legislation. This was due to a lack of capacity and accountability.

32. The municipal entity did not have adequate systems to monitor compliance with all applicable legislation, and as a result, non-compliance with legislation was not prevented. There was inadequate supervision, monitoring and consequence management in respect of management of the operations of the municipal entity.

33. Although the municipal entity developed an audit action plan to address audit findings, however, this audit action plan was not implemented throughout the year and therefore resulting in recurring material misstatements in the current year.

Auditor General

East London

30 November 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. 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 programmesand on the municipal entity 's compliance with respect to the selected subject matters.

Financial statements

2. 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 municipal entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the [board of directors, which constitutes the accounting authority
- conclude on the appropriateness of the accounting authority's 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 Chris Hani Development Agency SOC Ltdto 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 municipal entityto 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting authority 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.

4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to 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.

6.4 Auditor General Report – CHDM: 2020/2021

CHRIS HANI DISTRICT MUNICIPALITY (Cons.)

Audit Report

For the year ended 30 June 2021

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

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

Report on the audit of the consolidated and separate financial statements

Disclaimer of opinion

1. I was engaged to audit the consolidated and separate financial statements of the Chris Hani District Municipality set out on pages … to …, which comprise the consolidated and separate statements of financial position as at 30 June 2021, the consolidated and separate financial statements performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. I do not express an opinion on the consolidated and separate financial statements of the municipality because of the significance of the matters described in the basis for a disclaimer of opinion section of my report. I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Property, plant and equipment

3. The municipality did not assess all assets for impairment in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) 21, *Impairment of non-cash-generating assets*. Damaged and vandalised assets were included in the infrastructure assets without being impaired and the useful lives of fully depreciated movable assets have not been reassessed. The Agency did not account for its property, plant and equipment in accordance with GRAP 17, Property plant and equipment. I could not confirm the impairment by alternative means. Consequently, I was unable to determine the full extent of the overstatement of property, plant and equipment stated at R4,6 billion (2020: R4,3 billion), impairment loss stated at R8,2 million (2020: R73 768), and depreciation stated at R181,5 million (2020: R159,8 million) in the consolidated and separate financial statements.

Revenue from exchange transactions

4. The municipality did not recognise revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions* due to inadequate systems in place for revenue management. Revenue was billed using incorrect rates, incorrect consumption units were used, some customers were not billed throughout the year and sufficient appropriate audit evidence could not be obtained to verify the averages used for billing throughout the year. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to service charges, stated at R370,6 million (2020: R300,5 million) in the consolidated and separate financial statements.

Receivables from exchange transactions

5. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions due to the limitations and disagreement of revenue from exchange transactions, which had an impact on the receivables from exchange transactions. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transactions stated at R383,5 million (2020: R315,3 million) and the debt impairment expense stated at R304,2 million (2020: R278,9 million) in the financial statements, and interest revenue from debtors stated at R62,8 million (2020: R57,8 million) in note 24 to the consolidated and separate financial statements

Revenue from non-exchange transactions

6. The municipal entity did not recognise revenue from non-exchange transactions in accordance with GRAP 23, *Revenue from non-exchange transactions*. The municipal entity did not account for revenue and expenditure from conditional grants although conditions were met. As a result, revenue from non-exchange transactions were understated by R13.6 million and expenditure understated by R13,6 million.

VAT payable/receivable

7. I was unable to obtain sufficient appropriate audit evidence for VAT payable/receivable due to the limitations and disagreements of receivables from exchange transactions and revenue from exchange transactions, which have an impact on the calculation of VAT receivable. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to VAT receivable and VAT payable, stated at R1,3 billion and R1,3 billion (2020: R1,1 billion and R1,0 billion) respectively in note 12 to the consolidated and separate financial statements

Unspent conditional grants and receipts

8. I was unable to obtain sufficient appropriate audit evidence for unspent conditional grants and receipts, as the municipality did not maintain accurate and complete records of amounts received from provincial and national government departments. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to unspent conditional grants and receipts, stated at R83,2 million (2020: R77,2 million) in note 17 to the consolidated and separate financial statements.

General expenses

9. The municipality did not recognise general expenses in accordance with GRAP1, *Presentation of financial statements.* The municipality recorded general expenses inaccurately using amounts paid as compared to amount incurred and customers who do not qualify for indigent subsidies received subsidies. As a result, general expenses were overstated by R36,8 million (2020: R18,6 million), payables was overstated by R21,2 million (2020: R37,7 million) and receivables from exchange transactions was understated by R2,0 million (2020: R1,4 million).

Irregular expenditure

10. The municipality did not have adequate systems to identify and disclose all irregular expenditure during the year, as required by section 125(2)(d)(i) of the MFMA. The irregular expenditure for the year under review and the previous year, disclosed in note 38 to the consolidated and separate financial statements is understated. As a result, irregular expenditure is understated by R77,7 million.

Cash flow statement

11. I was unable to obtain sufficient appropriate audit evidence for other prior year movements and prior year adjustments included in net cash flows from operating activities, due to the poor state of accounting records, as supporting documents to substantiate the reversals and movements were not submitted. The municipality also incorrectly included Interest from debtors as part of payments to suppliers. I could not confirm these movements by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to net cash flows from operating activities, stated at R659,9 million (2020: R21,5 million).

12. Furthermore, in my previous year's audit report, I modified my opinion on prior year other movements included in cash flows from investing activities and movement in other financial liabilities included in cash flow from financing activities, due to the poor state of accounting records, as supporting documents to substantiate the reversals and movements were not submitted. I could not confirm these movements by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to net cash flows from investing activities corresponding figure stated at R309,9 million, and cash flow from financing activities corresponding figure stated at R0 in the cash flow statement.

Commitments

13. The municipality did not recognise commitments in accordance with GRAP 17, *Property, plant and equipment*. The municipality did not recognise all capital commitments as required by GRAP 17. As a result, commitments was understated by R278,3 million (2020: R14,9 million).

Corresponding figures

Revenue from non-exchange transactions

14. The municipality did not recognise revenue from non-exchange transactions in accordance with GRAP 23, *Revenue from non-exchange transactions*. The municipality double-counted the VAT portion to be recognised as government grants and subsidies from expenditure on conditional grants. As a result, revenue from non-exchange transactions were overstated by R48,7 million and unspent conditional grants understated by R48,7 million.

Payables from exchange transactions

15. The municipality did not recognise trade payables in accordance with GRAP1, *Presentation of financial statements*, due to an inadequate credit management system in place, as trade payables included amounts for goods and services that had not been received at year-end and the creditors listing did not agree with the consolidated and separate statements.. As a

result, payables from exchange transactions as well as expenditure were both overstated by R37,7 million.

Water distribution losses

16. I was unable to obtain sufficient appropriate audit evidence for water distribution losses due to the limitations of revenue from service charges, which had an impact on the calculation of water distribution losses. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water distribution losses, stated at R6,9 million (2020: R182,1 million) in note 56 to the consolidated and separate statements..

Aggregation of immaterial uncorrected misstatements

17. Total current assets were materially misstated by R18,7 million due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

    - Inventory, stated at R17,1 million, was overstated by R11,2 million.
    - Cash and cash equivalents, stated at R42,2 million, was understated by R7,7 million.

Emphasis of matter

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

Restatement of corresponding figures

19. As disclosed in note 43 to the consolidated and separate statements., the corresponding figures for 30 June 2020 were restated because of errors in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2021.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the consolidated and separate financial statements

22. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate statements in accordance with the GRAP and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora), and for such internal control as the accounting officer determines is

necessary to enable the preparation of consolidated and separate statements that are free from material misstatement, whether due to fraud or error.

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

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

24. 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 separate financial statements.

Report on the audit of the annual performance report

Introduction and scope

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

26. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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

Key performance area (KPA)	Pages in the annual performance report
KPA 2 – basic service delivery and infrastructure development	x – x

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

29. The material findings on the usefulness of the performance information of the selected programmes are as follows:

KPA 2 – basic service delivery and infrastructure development

Various indicators

30. For the following indicators, measures taken to improve performance could not be corroborated:

Indicator code	Remedial action
SDI 1 – number of households served with quality basic water	Measures taken to improve performance were not disclosed in the APR
SDI 6 – number of households served with safe basic sanitation	Committees to process bid SMME to commence work in the 2021-22 financial year.

Other matter

31. I draw attention to the matter below.

Achievement of planned targets

32. Refer to the annual performance report on pages … to … for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material finding on the usefulness of the reported performance information in paragraph 29 of this report.

Adjustment of material misstatements

33. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements, performance reports and annual reports

36. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer of audit opinion.

Expenditure management

37. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred, as indicated in the basis for disclaimer paragraph. The majority of the disclosed irregular expenditure was caused by the extension of contracts without following necessary supply chain management (SCM) regulations, procurement not being in line with SCM regulations 12(3), 32 and 36, and preferential procurement regulation 8(5).

38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R456 109 (2020: R683 798) disclosed in note 47 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged by creditors due to the municipality not paying invoices on due dates.

39. Reasonable steps were not taken to prevent unauthorised expenditure of R392,4 million (2020: R135,6 million) disclosed in note 36 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending incurred by the municipality in its different votes.

40. An adequate management, accounting and information system that recognised expenditure when it was incurred, accounted for creditors and accounted for payments made was not in place, as required by section 65(2)(b) of the MFMA.

Revenue management

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

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

Asset management

43. An adequate management, accounting and information system that accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

44. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Consequence management

45. Some unauthorised expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.

46. Some fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Conditional grants

47. Portions of funds received from the municipal infrastructure grant and regional bulk infrastructure grant were transferred to the Chris Hani Development Agency (CHDA) based on a payment schedule that was not approved by the National Treasury, as required by section 17(3) of Dora.

Procurement and contract management

48. Some commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content, as required by the preferential procurement regulation 8(5).

49. Some commodities designated for local content and production were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the preferential procurement regulation 8(5).

50. Goods or services procured under contracts secured by other organs of state were not procured in accordance with SCM regulation 32, as the municipality procured beyond the scope of the original contract.

Other information

51. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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

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

54. 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

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

56. There was insufficient oversight to ensure consistent implementation and monitoring of controls over financial and performance information, and compliance with legislation. This was mainly due to a lack of capacity and accountability as well as inadequate communication between departments within the municipality.

57. Consequence management was not implemented against officials who were responsible for incurring irregular, and fruitless and wasteful, and unauthorised expenditure.

58. The municipality did not have a proper system of records management for the financial environment as a whole, as material misstatements were identified, resulting in a disclaimer of opinion. In addition, inadequate integration between the budget and treasury office and other departments within the municipality contributed to material misstatements identified during the audit process, especially within SCM and engineering.

59. The municipality did not have adequate systems to monitor compliance with all applicable legislation and, as a result, non-compliance with legislation was not prevented. There was inadequate supervision, monitoring and consequence management in managing the operations of the municipality.

60. The report with recommendations provided by the internal audit unit was not implemented promptly and adequately by management to address or reduce findings raised through the external audit process. In addition, although the audit committee reviews the municipality's performance management system quarterly, the reviews did not have a positive impact on improving internal controls, as material findings were still identified through the audit process.

61. Although the municipality developed an audit action plan to address audit findings, it was not implemented throughout the year because the previous year's audit report was completed late due to covid-19 restrictions. This resulted in recurring material misstatements in the current year.

62. The municipality is year-end driven and the review of monthly financial reports was not adequate. Material differences in underlying records were identified in numerous line items of the financial statements during the audit process, and resulted in a disclaimer of audit opinion. These differences should have been identified and corrected before the start of the audit process.

Material irregularities

63. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Material irregularity in progress:

64. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting officer. This material irregularity will be included in the next year's auditor's report.

Other reports

65. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

66. The Directorate for Priority Crime Investigation (Hawks) are investigating allegations of maladministration, corruption and tender irregularities in the procurement process of ventilated improved pit toilets.

67. At the date of this report, the investigation was still in progress.

Auditor-General

East London

31 January 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHDM AUDITOR GENERALS AUDIT ACTION PLAN FOR 2021/2022 F/Y

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
1	COAF 3	REVENUE	The following internal control deficiencies have been on the revenue receivables business process: 1. The Chris Hani District Municipality application business's application and business agreement for service delivery form of Eagles Overnight (Pty) Ltd was not signed by accountant: billing as evidence that review was done to check the accuracy and validity of the form. 2. Sufficient appropriate audit evidence could not be obtained to recalculate the revenue billed (since the municipality used estimates that are not supported and could not be re-performed in terms of their policy) by the municipality for March 2022 relating to the following account that was selected for walkthrough: • Account: 40100090 3. The debt collection process per the policy of the municipality was not appropriately applied to the following accounts that were selected for walkthrough: • 40102134 (Debtor was only issued a letter of notice for the 14 days) - letter of demand requesting payment within 7 days of date of the letter was not provided. • 40100190 (Debtors was only issued a letter of notice to disconnect) - letter of demand requesting payment within 7 days of date of the letter, and the final notice demanding for payment of the outstanding amount within a period of 14 days was not provided 4. The interest rate charged on outstanding debtors is not updated when changes on prime	The cause of the above findings is due to the following: 1. This is due to a lack of exercise of oversight by management to ensure that all controls in place are consistently an effectively applied. 2. The finding is a repeat finding that is caused by lack of management oversight responsibility of ensuring that actual meter readings are taken and used for billing customers. The management is still in the process of correcting the prior year misstatement to address the issue of billing done on estimates. 3. This is due to a lack of exercise of oversight by management to ensure that all controls in place are consistently an effectively applied. 4. This is due to a lack of exercise of oversight by management to ensure that prime interest rate is being updated on the system on time for all the changes published for interest rate. 5. The type of delivery of	1. This was due to oversight on the implementation of internal controls, as all application forms are supposed to be checked and verified by the Senior Accountant. 2. There are meters that have not been billed due to various challenges indicated by meter readers when on site. a) Use of estimation in billing of water due to meters that could not be read. 3. Due to the high level of customer disputes and queries management opted to use 14 days' notice to give ample time for the resolution of the queries.	1. Perform monthly review of new applications forms by Billing Accountant and verified by the Senior Accountant: Billing. - Internal controls have been enhanced by filling of 2 positions of Billing Accountants who will be responsible for the opening of debtor accounts. 2. Submit an item to council requesting approval to use flat rate to calculate water consumption retrospectively. A) - Recalculation of service charges for restatement - Restatement of Revenue and Receivables and disclose according to GRAP standards. 3 Ensure adequate implementation of the Credit Control and Debt Collection Policy by developing a checklist.	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
			interest rates are published on the system. The prime interest rate on the system was 7.75% as at 21 July 2022 which was last updated on the 04th of April 2022. The prime rate was 8.25% on the date of confirmation- 21 July 2022. 5. The March 2022 statement of account-40611882 was not emailed to the debtor.	statement was not ticked on the system for the statement to be emailed on monthly basis.			

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
2	COAF 9	EXPENDITURE	During the audit of the indigent subsidy expenditure, the following findings have been noted:1.The indigent subsidy was awarded to Thompson Z (account number 40129148) who is not on the approved indigent register and not to P.A. Sithonga (account number 40208583):	This is due to:1. The incorrect linking of the account number of the applicant listed in the indigent register; and2. The ID checker provided by COGTA for the correctness and validity of the ID numbers of all applicants being the only verification method performed by the municipality prior to the applicant being subsidised.3. Management not taking the necessary corrective actions to ensure that the exceptions identified during the prior year audit are corrected.	This is due to lack of segregation of duties in the Indigent Management unit, where only the coordinator performs all processes by themselves.	Go through the indigent register population by;1. Perform quarterly reviews2. Engage local municipalities 3. Submit Indigent Register to AGSA to run CAATS4. Assurance will be made that all application forms are checked by the Coordinator and verified by Senior Accountant after processing.	30-Jun-23
3	COAF 15	REVENUE (Credit balance)	The trade payables and credit balances listings do not agree to the trade payables and payments received in advance disclosed in the AFS:	The municipality does not monitor the listings on monthly basis, and there are inadequate reviews by management and those charged with governance on what is submitted with the financials, as the accuracy of listings was not considered.	The difference is due to the water consumption corrections for prior periods that were processed in August 2022 which was after the billing module has closed.	1. - Perform monthly reconciliation from opening balances - Correction of error journal has been made and the audited figures will be restated before 30 June.	30-Jun-23
4	COAF 18	REVENUE	1.The following differences were noted between the AFS and the age analysis 2.Allowance for impairment of sewerage is more than the gross balance:	This is due to inadequate review processes of the annual financial statements by management and those charged with governance.	1. The difference is due to the water consumption corrections for prior periods that were processed in August 2022 which was after the billing module has closed.2. Inadequate review of disclosures prior	1-2 - GRAP Compliance Checklist will be used to ensure that disclosures are properly done before the AFS are submitted to Auditor General for audit.2. Ensure that restatements are and	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
					to submission of the AFS.3. Delay in preparing the restatement of audited figures	correction of error journals prepared before 30 June.	
5	COAF 26	REVENUE	1.The allowance for impairment calculations with assessment of impairment for each debtor was not submitted with the accounting file on submission of the AFS on the 31st of August 2022.Follow up was done to management on the 20th of October 2022 to explain that impairment per debtor is needed so that sample can be selected to test the impairment of debtors, and management submitted the calculation in summary format per category, and did not include the details of individual debtors per category. Therefore, there is no supporting schedule of the following note:	This is due to inadequate review processes of the annual financial statements by management and those charged with governance to ensure that:1.The calculations are supported with information as stated on the credit control and debt collection policy of the municipality. 2.The restatements are submitted with the supporting evidence	This is due to the water consumption corrections for prior periods that were processed in August 2022 which was after the billing module has closed.	1. Ensure that provision for impairment is correctly calculated on a monthly basis.- calculation of impairment to be reviewed prior to the audit by AG.- Restatement of Impairment calculation and submission of supporting evidence. 2. GRAP Compliance Checklist will be used to ensure that disclosures are properly done before the AFS are submitted to Auditor General for audit.	30-Jun-23
6	COAF29	REVENUE	There was no work done by management to correct the prior year material misstatement on interest income as included in the prior year management representation letter with all uncorrected misstatements:	This is due to inadequate review processes of the annual financial statements by management and those charged with governance to ensure that all prior year uncorrected misstatements are addressed by management.	1. Insufficient action was taken to identify reasons for not billing.2. There are meters that have not been billed due to various challenges indicated by meter readers when on site.3. Use of estimation in billing of water due to	1. - Analyse the current year billing information - Effect interest changes on the billing system as soon they are announced by the Reserve Bank. - Ensure that work done in the methodology and the impracticality for the	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
					meters that could not be read.	calculation of interest for the prior years is specifically included in the disclosure note. 2. Submit an item to council requesting approval to use flat rate to calculate water consumption retrospectively.a) - Recalculation of service charges for restatement - Restatement of Revenue and Receivables and disclose according to GRAP standards.	
7	COAF 34	REVENUE	1.Interest on debtors- SewerageThe following differences were noted on the following interest charged transactions, between the recorded amount and the recalculated amount as a result of incorrect rates used: 2.Interest on debtors- Water consumptionThe following findings were noted on recalculations of interest on debtors for water consumption:a)Based on Finding 2 of COAF 29 of 2022- Water Sales: Misstatements on prior year corrections, there is a limitation on the opening balance for receivables. The reliance therefore for interest recalculation cannot be placed on the balance with a limitation.Therefore balance per the age analysis could not be used for the recalculations of interest on debtors for water consumption.	1. This is due to a lack of exercise of oversight by management to ensure that prime interest rate is being updated on the system on time for all the changes published for interest rate.2. This is due to inadequate review processes of the prior year corrections by management and those charged with governance in ensuring correct application of GRAP.	1. Due to oversight on the management regarding the changes in the interest rates. 2. There are meters that have not been billed due to various challenges indicated by meter readers when on site.a) Use of estimation in billing of water due to meters that could not be read.	1. - Analyse the current year billing information - Effect interest changes on the billing system as soon they are announced by the Reserve Bank. - Ensure that work done in the methodology and the impracticality for the calculation of interest for the prior years is specifically included in the disclosure note. 2. Submit an item to council requesting approval to use flat rate to calculate water consumption retrospectively.a) -	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
						Recalculation of service charges for restatement - Restatement of Revenue and Receivables and disclose according to GRAP standards.	
8	COAF 43	REVENUE	Data request for the performance of CAATs on Solar for the 2021/22 financial year was requested under RFI 63 of 2022 dated 28th September 2022 and was due on the 04th of October 2022.The CAATs results in Annexure A attached identified the customers with months not billed during 2021/22 financial period.Refer to the below summary for work done:	The cause of the finding is, municipal revenue management services does not have an adequate integrated system to trace if all meters installed and those who have access to sewerage and sanitation services are actually billed.	Inaccurate data that was inherited from the local municipalities.Customer information has not been reviewed and updated Less effort made to attend to the data verification and validation process to determine the reasons for the reasons for unbilled properties/customers.	1. Verification and validation AGSA CAATS report2. Revisit the entire AGSA sample3. Visit the full population on the billing system - Recalculation of service charges for Restatement - Restatement of Revenue and Receivables	30-Jun-23
9	COAF 47	REVENUE	The monthly statements were not sent to the following account holders during 2021/22 financial period:	The cause of the finding is due to lack of management oversight in ensuring that the customers are issued with the customer statements on monthly basis.	Incomplete debtors information on the billing system The municipality opted for cheaper and effective means of distributing accounts through SMS, due to financial constraints the option had to be halted.	1. Verification and validation of billing data to ensure that customer information is updated on the billing system.2. Engage Stakeholders and request customer information. 3 Maintain database of customer emails received for the first time.4.Develop a register of walk-in customers information update5. Email customer statements from July to date of capturing customer information.	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
10	COAF 10	SCM	The minimum qualifying score for functionality for the RFQ below was not stated on the bid notice and the terms of reference	This is caused by improper review of the information requested on RFQs before an advert is posted on the municipality's website.	One RFQ in the entire population did not include functionality as evaluation criteria.	All minimum qualifying scores for functionality for RFQs are addressed. 1. The SCM unit went back to the whole population of RFQs from July - November 2022. 2.All quotation documents are reviewed on monthly basis by the Senior Manager SCM.	30-Jun-23
11	COAF 13	SCM	During the audit it was identified that the following contracts were not monitored on a monthly basis:	The cause of the above is due to a lack of controls over the maintenance of financial information and the lack of management exercising oversight to ensure that contracts are monitored regularly and non-compliance is also monitored.	This was caused by termination of evergreen contracts on consultants that resulted in projects being halted and the consultants pursuing legal recourse. But were later resuscitated.	On monthly basis request progress reports/ minutes for each project.	30-Jun-23
12	COAF 35	SCM	1. During the testing of irregular expenditure it was identified that the opening balance of irregular expenditure as disclosed in note 36 of the financial statements did not agree to the closing balance as the irregular expenditure note on the 2020/2021 audited AFS.	This is due to deficiencies in the financial statements review processes to ensure all disclosure requirements are met.	This was caused by non-approval of HOD's concurrence.	The SCM Unit with HR will arrange a meeting with the MM and MPAC to discuss and find resolutions.	30-Jun-23
13	COAF 40	SCM	Commitment balance understated: During the audit of commitments, we noted differences between revised amounts as per commitment register and revised amounts as per contracts. Below is the table indicating the differences: remaining R1 316 569.90	The cause of the finding is that the Municipality did not ensure that the commitment register was regularly updated. Furthermore, senior management did not review	This is caused by inaccuracy in capturing amounts paid to each project.	1.The Municipality will use budget sheets as basis on monthly basis when capturing payments made. 2.The SCM Unit will also make copies of the payment certificates to	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
				the commitment register to confirm accuracy		reconcile payments made. 3.Quartely reconciliation with Asset Management and Engineering.	
14	COAF 8	EXPENDITURE	1. The expenditure recorded in the general ledger relates to the months of April 2021, May 2021, June 2021 and July 2021 with the months of April, May and June not falling within the 2021/22 financial year under review. BOREHOLES 2. The expenditure recorded in the general ledger does not agree to the consumption billed for the billing period per the invoices.	1. The billing for the months of April 2021, May 2021 and June 2021 was only received in July 2021 as the supplier does not send monthly invoices; 2. The expenditure recorded in the general ledger was based on the amount paid and not the expenditure incurred for the billing period; and3. A credit note was incorrectly recorded as expenditure incurred for the billing period.	1. DWS does not bill CHDM on a monthly basis for boreholes . 2.The spreadsheet does not address the issue of monthly billing vs amount paid including opening balance .	1. An analysis of the full population was performed and the new spreadsheet was designed to address the query of monthly billing vs amount paid. 2. Mid-year analysis will be performed to dress the issue of financial year cut-off and the journals will be prepared when the need arises . 3.A letter was written to DWS requesting them to send invoices monthly .	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
15	COAF 12	EXPENDITURE	During the testing of the expenditure journals processed in the general ledger, the following exceptions have been noted: 1. The amount per the journal does not agree to the amount per the journal supporting documentation: 2. A portion of the amount recognised in the general ledger pertains to the 2022/23 financial year: 3. The journal corrections made have been posed to the incorrect vote: 4. The details per the general ledger journal (description and account code) for journal J010014 and J060134 do not agree to the details per the journals posted in the general ledger.	This is due to: 1. The invoices being incorrectly casted by the supplier and the municipality not recalculating the totals per the invoices.2. The expenditure incurred being less than the amount reflected per the sanitation expenditure register.3. The subscription period being from 01 December 2021 till 30 November 2022 and the capturer of the expenditure not apportioning the expenditure incurred between the different financial years.4. The vote number being incorrectly captured on the general ledger journal resulting in the transection being posted to the incorrect vote.5. The journals being posted to votes that were not affected by the original transection.6. Thorough reviews not being performed prior to the journals being posted.	1. The invoices being incorrectly casted by the supplier and the municipality not recalculating the totals per the invoices.2. The expenditure incurred being less than the amount reflected per the sanitation expenditure register.3. The subscription period being from 01 December 2021 till 30 November 2022 and the capturer of the expenditure not apportioning the expenditure incurred between the different financial years.4. The vote number being incorrectly captured on the general ledger journal resulting in the transection being posted to the incorrect vote.5. The journals being posted to votes that were not affected by the original transection.6. Thorough reviews not being performed prior to the journals being posted.	1. Thorough implementation of invoice checklist . 2,4 &5 All journals will be inspected prior being captured and filed to ensure that the supporting documents agree with the face of the journal. 3. All contracts will be scrutinized to ascertain if there are overlapping between two financial year as to ensure that expenditure is recorded in the correct period.	30-Jun-23
16	COAF 23	EXPENDITURE	During the audit of transfers and subsidies, the following transection was incorrectly classified as transfers and subsidies to the CHDA:	This is due to the transaction being recorded in animal care vote number that relates to transfers and subsidies to the CHDA although the payment for	1. Budget constraints	1.Analysis of transfer and subsidies vote to ensure that it only carries transactions that related to it.. 2.Ensure that correcting	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
				animal care was made directly to the supplier.		journals are prepared and processed	
17	COAF 24	EXPENDITURE	During the audit of operating expenditure, the following compliance exceptions have been noted: 1. Most payments are made after 30 days	Per enquiry with Expenditure Manager, this is due to the municipality's cash flow constraints, therefore, payments are made as and when funds become available.	Low collection rate which leads to delay in payment of invoice and affects the working capital.	1. Monitoring of invoice register to track the days in which invoices are paid. 2. Enter into payment arrangements with Creditors with material debts when the municipality is unbale to settle on time. 3. Alignment of Business Processes with SOPs.	30-Jun-23
18	COAF 25	EXPENDITURE	During the audit of contracted services, the following exceptions have been noted: The expenditure that was incurred in the 2021 financial period was only recognized during the 2022 financial year	This is due to: There was a disagreement between the security service provider and the municipality on the billing system i.e. based on the contract held by the municipality or the rates determined by the security company which was only resolved in the 2022 financial year	This is due to late submission of invoice.	1. Ensure that reminders are sent to all departments advising of the last date for submission of 2022/23 invoices. 2. Review the entire population for 2022/23 to ensure transactions are processed in the correct period. 3. Ensure creditors are raised on all payment arrangements and recurring that are unpaid at the end of 2022/23 financial year	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
19	COAF 27	EXPENDITURE	During the testing of fruitless and wasteful expenditure it was noted that the opening balance of note 35 does not agree to the prior year closing balance.	Fruitless and wasteful expenditure that related to prior year was not appropriately disclosed in terms of GRAP requirements.	This is due to omission of foot note explaining that there was a prior period error affecting the opening balance	Ensure that this is effected on the Quartely financial statements and review-of the annual financial statement for inclusion of the prior period expenditures.	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
20	COAF 45	EXPENDITURE	During the testing of consultants the following issues were noted: 1. On appointment of Newlipath, there was no needs assessment and requirements completed which would confirm that the municipality does not have the requisite skills or resources in its full time employment to perform the function. 2. The following details regarding transfer of skills were not included in the terms of reference of Newlipath (Pty) Ltd, SMEC South Africa (Pty) Ltd i. employees to be trained; ii. skills to be transferred; iii. Monitoring and evaluation arrangements. 3. There is no evidence of formal skills transfer for Newlipath (Pty) Ltd. 4. There were no material misstatements or material findings on AFS identified by the auditors on the consultant's area of responsibilities (Bonakude and SMEC South Africa)	This is due to inadequate controls around the appointment and project management of consultants.	This is due to inadequate controls around the appointment and project management of consultants.	1. All consultants prior requiring their services the user department will produces the needs analysis report to ensure that indeed the skill is need.	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
21	COAF 48	Technical service	1. The amounts disclosed for water distribution losses on the AFS is total units not total value Prior yearManagement did not perform work to correct the prior year material misstatement that was reported in the prior year audit report. As communicated in COAF 29 of 2022, there is still material limitation on revenue, and that affects the water distribution losses. Per inspection of the water distribution schedule provided by the auditee, it has been noted that the amount of 6 941 481 that was disclosed on the Annual Financial Statements is total units not a rand value. Therefore, the amount per AFS in note 39 is not correct. Based on the auditors' calculation the following is the correct amount that was supposed to be disclosed in the prior year AFS:	This is due to inadequate review processes of the annual financial statements by management and those charged with governance.	1. Billing inaccuracy resulting in estimates and using flat rates. 2. None functioning and non-replacement of water meters. 3. Inadequate budget to purchase material for replacements.4. refurbishment & replacement of ageing infrastructure.	1. Develop and submit Water meter replacements and new installation plan. 2. Conduct monthly meter reading for water balances3. Reinvesting on replacement of ageing infrastructure for 400 consumers.4. Conduct quarterly Bulk meter audit 5. Submission of monthly readings from all WSPs	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
22	COAF 49	Technical service	During the audit of water, sanitation and wastewater management environmental focus area, the following audit findings were noted: Water1. Backlogs in the provision of water services of 33.2% were noted. These were due to:- the lack of water infrastructure to provide water to households;- the lack of sufficient water infrastructure to meet the needs of the municipality; and- insufficient funding received for water infrastructure needs.2. An under-expenditure on the maintenance of water infrastructure of 42% was noted. This was due to the municipality not being able to generate sufficient revenue from service charges to fund its operational expenditure.3. A conditional assessment of water infrastructure was not performed to inform the water infrastructure maintenance plan for the 2021/22 financial year.4. The rand value of water losses as disclosed in note 39 of the financial statements was incorrectly calculated as raised in COAF 48.5. Material water losses of 36.20% were incurred during the 2021/22 financial year. These were outside the norms of 15% - 30% in terms of NT MFMA Circular 71. Sanitation1. Backlogs in the provision of sanitation services of 21.4% were noted. These were due to:- the lack of sanitation infrastructure to provide water to households;- the lack of sufficient sanitation infrastructure to meet the needs of the municipality; - insufficient funding received for sanitation infrastructure needs.2. An under-expenditure on the maintenance of sanitation infrastructure of 53% was noted. This was due to the municipality not being able to generate sufficient revenue from service charges to fund its operational expenditure.3. A conditional assessment of sanitation infrastructure was not performed to inform the water infrastructure	Dordrecht WWTW:1. A lack of funding in order to fix the chemical room however, business plans have been submitted in order requesting funding to fix it. Lady Frere WWTW:1. A lack of funding to upgrade the WWTW; and2. The stringent criteria that the WWTW is required to meet in order for a valid licence to be obtained.	Dordrecht WWTW:1. A lack of funding in order to fix the chemical room however, business plans have been submitted in order requesting funding to fix it. Lady Frere WWTW:1. A lack of funding to upgrade the WWTW; and2. The stringent criteria that the WWTW is required to meet in order for a valid licence to be obtained.	1. Replace meters as received from Revenue In order to enhance revenue. 2. Review Operations and Maintenance Plan. 3. Implementation of Directives Action Plan and reporting thereof. 4. Conduct Water Balancing and comparison of Billed consumption and Unbilled consumption. 5. Mapping of comparison	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
			maintenance plan for the 2021/22 financial year.Wastewater management:1. An environmental policy / strategy or documented processes was not established for the identification and monitoring of environmental risks relating to wastewater management.2. Environmental risks relating to wastewater management were not identified and monitored during the 2021/22 financial year.3. The Lady Frere WWTW did not have a valid operating licence for the period under review, as required by section 22(1)(b) of the National Water Act. 4. The following non-compliance with licence conditions were noted at the Dordrecht WWTW:- That there was no effective access controls into the WWTW as there were no security guards at the main entrance gate (they were only at the entrance into the chemical room);− That the warning signs were not in at least three official languages, they did not include the address and telephone number of the licence holder and the person responsible for the operation of the site; and− The effluent discharged into the pond and used by the Dordrecht golf course did not comply with the General Standards as published by the Department of Water Affairs as it was not chemically treated due to the chemical room not being operational.6. The following observations were made at the Lady Frere WWTW:− There is no actual infrastructure to treat the effluent deposited into the WWTW;− There was significant structural damage to the process controller room;− There were no meters to measure the amount of wastewater disposed per year into the WWTW in order to comply with the 137 787 cubic meters per year as required by the general authorisation; and− There were no effective access controls, fencing nor notifications to the public of the risks involved in entering the				

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
			site or the use of water containing waste.7. The quality of wastewater (effluent) discharged at the Dordrecht wastewater treatment works was not assessed, monitored or analysed during the period under review for compliance per its licence conditions as required by section 22(2)(a) and (c) of the National Water Act.8. The quality of wastewater (effluent) discharged at the unlicensed Lady Frere waste water treatment works was not assessed , monitored or analysed during the period under review for compliance with the [applicable waste standards or management practices] as required by section 22(2)(c) of the National Water Act.9. No action plans were established / remedial actions were taken to address poor wastewater quality for the Dordrecht WWTW and Lady Frere WWTW during the 2021/22 financial year.10. The overall condition and compliance of the WWTWs based on the site inspection are assessed as follows:− Dordrecht WWTW: of concern− Lady Frere WWTW: critical				

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
23	COAF 51	Technical service	During the audit the following issues were identified:InventoryInventory water was not accounted in the inventory balance Bulk water purchasesPurchases relating to bulk water were directly expensed in contravention with GRAP 12.ChemicalsChemicals were directly expenses in the statement of financial performanceBased on GRAP 12, the following is clear:(a) The municipality should account for all the bulk water purchases, with all the related costs as inventory until the point of sale. Once these inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised.(b) The municipality should account for all water that occurs naturally AND which has been extracted as inventory until the point of sale. Once these inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised.	There is a lack of review and monitor compliance with applicable laws, regulations and accounting standards.	There is a lack of review and monitor compliance with applicable laws, regulations and accounting standards.	1. Conduct assessment of all bulk meters 2. Replace bulk meters 3. Conduct water balancing on a monthly basis 4. Review the inventory management policy to ensure that it incorporates the recognition and measurement of Inventory water balance at year end 5. Develop SOP on the accounting treatment for the water balance at year end 6. Implementation of the policy and SOP for the year end 30 June 2023	30-Jun-23
24	COAF 14	FINANCIAL REPORTING	During the testing of the expenditure prior period error adjustments, the following exceptions have been noted:1. Supporting documentation could not be provided for the following adjustment amounts: 2.Differences have been noted between the adjustment amount per the PY journal analysis to the adjustments disclosed in note 40 and the amount per the general ledger journal:- Contracted services = R220 474.65- General expenses = R154 866.42	This is due to: 1. Management not being able to determine which reclassification journals relate to the workings included in the PY journal analysis; and 2. The recording of the increases and decreases in the amounts recorded in Caseware not being in line with the increases and	1. Late preparing of restatement in Caseware cause errors. 2. Journal signs that was incorrectly done	1. Correction of the journals in Caseware. 2. Review of journal before captured in Caseware	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
				decreases in the votes per the general ledger journal.			
25	COAF 16	FINANCIAL REPORTING	During the audit of cash flow, we identified the below variances in the cash flow statement and its reconciliation:	The cause of the above finding is due to the lack of adequate and thorough review of the Annual Financial Statements before the submission thereof to the audit team.	1. Non adherence to AFS plan. 2. Inadequate time to prepare and review the Cash Flow Statement.	1. Draft AFS Plan by March 2023 2.To adhere on AFS plan. 2. Thorough review of Cash Flow Statement.	30-Jun-23
26	COAF 39	FINANCIAL REPORTING	During the testing of the completeness of transfers and subsidies, the following differences were noted between the amounts per the financial statements and the amounts confirmed to be received by the beneficiaries:	This is due to management not performing thorough reviews of the payee name per the payment voucher and the general ledger to ensure that all transactions are recorded under the correct vote.	1. Error on payment of CHDA from Engcobo vote. 2. Uncorrected journal in Caseware	1. Correction of the journal in Caseware	30-Jun-23
27	COAF 46	FINANCIAL REPORTING	Management was requested to provide a breakdown relating to R2 647 442, 89 relating to Zanamanzi that was presented and disclosed as provision. Management could not provide the requested breakdown, however they provided a support for R23 681 610, 43, with 7% increment. It was further confirmed that this amount is already included under Contingent liabilities and is supported by legal confirmations from external lawyers. Management could also not be able to state if the R2 647 442, 89 is also included in this amount. Therefore we have a limitation of scope and cannot confirm the provision of R2 647 442, 89.	The cause of this is due to a lack of controls over the recording and maintenance of financial records.	1. Uncleared transaction listed in the court paper.	1. Investigate the R2,6m versus R23m disclose in the litigation register. 2. Conduct reconciliation with legal office and have supporting documentation.	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
28	COAF 37	EXPENDITURE	During the testing of consequence management, the following issues were noted:Ø Instances of irregular expenditure incurred in the prior financial periods were not investigated and subsequently there was no write off or condonement of any irregular expenditure in the current financial year. The balance of irregular expenditure per the prior year audited AFS is R4 928 675.Ø An amount of R137 686 895 for unauthorised expenditure relating to prior years was not investigated by MPAC.	This non-compliance due to lack of proper and timely record keeping by the municipality.	This non-compliance due to lack of proper and timely record keeping by the municipality.	1.Unauthorised Expenditure amounting to R137,686,895 will be referred to the MPAC for investigation in line with section 32(2) of the MFMA. 2. Prepare item to MPAC for investigation of 2021/22 unauthorised expenditure reported in audited annual financial statement 2022. 3. Prepare disclosure note for annual financial statement.	30-Jun-23
29	COAF 22	EXPENDITURE	During the audit of the leave accrual, it was noted that there were leave taken after year end but were not included as an accrual at year end as the leave day were deducted from the balance at year end. The table below depicts how the finding was identified:	This finding is due to management deducting leave when the leave is approved not when the leave has been taken and leads to leave accrual being understated at year end.	The leave when its committed by employee and approved by HOD is captured on the system and when the employee concerned did not utilise or reschedule the leave due operational requirements she /he does not inform HR that the leave was not taken therefore it must be reversed.	1. Quartely leave reconciliations to be conducted by HR ,reconcile leave book, attendance register and the pay day system so that any leaves reversed are corrected on time and departments and employee concerned ensure that they communicate with HR any leaves that are rescheduled due to operational requirements that necessitate the reversal on time as to update the system and the attendance register. 2. The leave balance will be thoroughly reviewed	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
						by end July 2023 for year-end process. 3. Circulate memo informing employees to separate leave taken after June not include in June which is a end financial year.	
30	COAF 11	ASSET	During the audit of Work-in progress transfer out at 30 June 2022.The amount recorded as the transfer out from the Work -in progress register did not reconcile with the amount spent up to date (date of completion as per practical completion) as per last payment certificate.	The differences noted are due to lack of controls in terms of reviewing the registers and ensuring correspondence to the source documentation submitted.	lack of controls in terms of reviewing the registers and ensuring correspondence to the source documentation submitted.	1.Asset management will perform an accurate reconciliation between the last payment certificate of all completed Projects and the total payment schedule recorded on the WIP Register 2,) Submit the adjusted(Restated) figures for an update to the Annual Financial Statements	30-Jun-23
31	COAF 21	ASSET	We inspected the invoices and noted that some assets' purchase cost have been under/overstated which resulted in differences in purchase cost. It was also noted that management incorrectly calculated depreciation for assets that were purchased mid-month. This resulted in differences when calculating depreciation and carrying value.	The cause of the above finding is due to the lack of adequate and thorough review of the Fixed Asset Register before the submission thereof to the audit team.	Lack of adequate and thorough review of the Fixed Asset Register ensuring corresponding to Source documentation	1.)Asset manager to review the all the purchase invoices for additions for the year to ensure the accuracy of the capturing on the Fixed Asset Register on monthly basis 2,) perform calculations on depreciation for additional purchases for the year using days instead of the months previously used and the	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
						adjustment will be made 3,) Submit the adjusted(Restated) figures for an update to the Annual Financial Statements	
32	COAF 42	ASSET	During the physical verification of Property, Plant and Equipment: Infrastructure – Water, the following assets could not be verified by the AGSA and the municipality.	The cause of the above finding is due to lack of controls in terms of asset management as management were unable to indicate the location of the assets during the physical verification.	During the verification of Jojweni it was noted that there was an error in identifying the component name on the subject. The component that was meant to be named, should have been a parameter fencing and the second one would have been the gate that would serve as a purpose for securing the asset, not an electrical system as stated on the subject.	Asset management will review and update the Infrastructure asset register with an accurate updated component names of all assets in the register	30-Jun-23
33	COAF 11	ASSET	During the audit of Work-in progress transfer out at 30 June 2022.The amount recorded as the transfer out from the Work -in progress register did not reconcile with the amount spent up to date (date of completion as per practical completion) as per last payment certificate.	The differences noted are due to lack of controls in terms of reviewing the registers and ensuring correspondence to the source documentation submitted.	lack of controls in terms of reviewing the registers and ensuring correspondence to the source documentation submitted.	1.Asset management will perform an accurate reconciliation between the last payment certificate of all completed Projects and the total payment schedule recorded on the WIP Register 2,) Submit the adjusted(Restated) figures for an update to the Annual Financial Statements	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
34	COAF 21	ASSET	We inspected the invoices and noted that some assets' purchase cost have been under/overstated which resulted in differences in purchase cost. It was also noted that management incorrectly calculated depreciation for assets that were purchased mid-month. This resulted in differences when calculating depreciation and carrying value.	The cause of the above finding is due to the lack of adequate and thorough review of the Fixed Asset Register before the submission thereof to the audit team.	Lack of adequate and thorough review of the Fixed Asset Register ensuring corresponding to Source documentation	1.)Asset manager to review the all the purchase invoices for additions for the year to ensure the accuracy of the capturing on the Fixed Asset Register on monthly basis 2,) perform calculations on depreciation for additional purchases for the year using days instead of the months previously used and the adjustment will be made 3,)Submit the adjusted(Restated) figures for an update to the Annual Financial Statements	30-Jun-23
35	COAF 42	ASSET	During the physical verification of Property, Plant and Equipment: Infrastructure – Water, the following assets could not be verified by the AGSA and the municipality.	The cause of the above finding is due to lack of controls in terms of asset management as management were unable to indicate the location of the assets during the physical verification.	During the verification of Jojweni it was noted that there was an error in identifying the component name on the subject. The component that was meant to be named, should have been a parameter fencing and the second one would have been the gate that would serve as a purpose for securing the asset, not an electrical system as stated on the subject.	Asset management will review and update the Infrastructure asset register with an accurate updated component names of all assets in the register	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
36	COAF 44	EXPENDITURE	During testing of trade payable completeness we noted that the following payment made after year end was not included under trade payables, although the expenditure relates to 2021/22 financial year:	The cause of the above is due to a lack of controls over the maintenance of financial information and the lack of management exercising oversight to ensure that listings/schedules supporting financial statements are complete and reliable.	This due to late submission of invoices.	1. Ensure that reminders are sent to all departments advising of the last date for submission of 2022/23 invoices. 2 .Review the entire population for 2022/23 to ensure transactions are processed in the correct period. Prepare correcting journals for such entries 3. Ensure creditors are raised on all payment arrangements and recurring that are unpaid at the end of 2022/23 financial year	30-Jun-23
37	COAF 50	EXPENDITURE	The retentions listing includes retentions that have been released and that which has been converted to be a Surety, thus resulting in the amount presented in the financial statements to be overstated:	The municipality does not monitor the listings regularly to timeously update the register and identify errors as well as inadequate reviews by management and those charged with governance on what is kept on the retentions register, thus impacting the accuracy and completeness of the register.	The municipality does not monitor the listings regularly to timeously update the register and identify errors as well as inadequate reviews by management and those charged with governance on what is kept on the retentions register, thus impacting the accuracy and completeness of the register.	1.Strengthen communication with the project managers . 2. Review the entire population mid 2022/23 and update the listings . 3. Prepare the necessary retention journals .	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
38	COAF 4	PMS	While performing an audit of system description for the compensation of employee's business process in particular Performance Management section it became apparent that performance assessments for section 56/57 managers were only done for mid-year in the 2021/22 financial year and not quarterly as required by Municipal Performance Regulations and policies of the municipality. It was also noted that the assessments were not conducted due to unavailability of Panel members and overlapping Council activities	Leadership have not exercised their oversight responsibility of ensuring that performance assessments are conducted.	The council calendar of events did not take into consideration performance review and performance assessments dates, which resultant to non-availability of role players to perform the function and ultimate delays on compliance dates. Reviews were conducted very late	1.The council approved calendar of events for the 2022/2023 FY, took into consideration performance reviews and performance assessment dates. 2.Availability of role players to sit in the assessment committees has improved from Q13. Implement and report on a quarterly basis for quarters under review	30-Jun-23
39	COAF 32	PMS	During the audit of predetermined objectives, the following misstatements have been noted between the achievements per the APR and the submitted listings/quarterly reports	This is due to a lack of review and reconciliation by management of the underlying documentation prior to the information being reported in the APR.	Poor verification of raw data	Raw data verification and thorough review of calculations on a quarterly basis	30-Jun-23
40	COAF 4	PMS	While performing an audit of system description for the compensation of employee's business process in particular Performance Management section it became apparent that performance assessments for section 56/57 managers were only done for mid-year in the 2021/22 financial year and not quarterly as required by Municipal Performance Regulations and policies of the municipality. It was also noted that the assessments were not conducted due to unavailability of Panel members and overlapping Council activities	Leadership have not exercised their oversight responsibility of ensuring that performance assessments are conducted.	The council calendar of events did not take into consideration performance review and performance assessments dates, which resultant to non-availability of role players to perform the function and ultimate delays on compliance dates. Reviews were conducted very late	1.The council approved calendar of events for the 2022/2023 FY, took into consideration performance reviews and performance assessment dates. 2.Availability of role players to sit in the assessment committees has improved from Q13. Implement and report on a quarterly basis for quarters under review	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
41	COAF 32	PMS	During the audit of predetermined objectives, the following misstatements have been noted between the achievements per the APR and the submitted listings/quarterly reports	This is due to a lack of review and reconciliation by management of the underlying documentation prior to the information being reported in the APR.	Poor verification of raw data	Raw data verification and thorough review of calculations on a quarterly basis	30-Jun-23
42	COAF 20	EXPENDITURE	Recalculated the Vat payable and the following differences were noted between the auditor's calculation and the amount recorded in the financial statements.	The difference indicate inadequate management review to ensure that the amounts recorded in the financial statements agrees to the supporting documentation for accuracy and completeness and that any differences are reconciled.Per note 48 in AFS, there is an indication that the control account is not cleared yearly hence the cumulative amounts resulting to these variances.	This is result of the input VAT that relate to receivables.	1.Ensure that the input VAT is reconciled on month basis. 2. VAT 201 is submitted by the due date on monthly basis 3. Review of general ledger to agree with VAT 201 submitted monthly	30-Jun-23
43	COAF 33	EXPENDITURE	In terms of the agreement between CHDM and Newlipath (Pty) Ltd Consultants: • Clause 7.1 of the agreement states that the project cost shall not exceed 15% of the VAT recovered from SARS. • Clause 7.2 states that the service provider shall submit an invoice based on the actual services rendered in accordance with the specifications as detailed in the purchase order with all the support documentation. Therefore, CHDM will pay the consultant for the actual services rendered and the project cost shall not exceed 15% of the VAT recovered from SARS. In respect of this matter, it has been identified that through inspection of invoices that no rate was determined. The	The cause of the above is inadequate review and monitoring of compliance with applicable laws and regulations. This is also caused by inadequate implementation of cost containment measures by the municipality regarding consultants.	This is due to inadequate controls around the appointment and project management of consultants.	1. All consultants prior requiring their services the user department will produces the needs analysis report to ensure that indeed the skill is need.	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
			consultant is further being paid on a contingency fee basis whereby CHDM pays the consultant 15% of the VAT refunds that are due to CHDM and not for the time spent as contemplated on the Regulation. The AGSA has amongst other things, identified that:• This is an accounting firm (Newlipath)• The circular also states that “fees for other work performed by private auditors for public sector institutions must be negotiated with those institutions directly utilising this circular as a guide”. • Also confirmed that two consultants to do the VAT returns are SAICA and SAIBA members				
44	COAF 2	HR	An internal control deficiency has been identified as the following policies were not reviewed for the 2021/22 financial year:Occupational Health and Safety policyNot reviewed (Last reviewed in 2020)Personal Protective clothing, uniform and equipment policy Not reviewed (Last reviewed in 2020)	Management did not exercise responsibility to ensure that policies and procedures are updated and reviewed timeously.	Some of the policies require consultation in various structurers like LLF and its sub committees i.e. HRD committee as they entail matters of mutual interest between employer and employee . Therefore also these policies form part of policies Is to be taken to Local Labour Forum and to HRD and there were delays in the process of consultation.	All these policies are on the priority list in the schedule for HRD and they will be finalised and approved by Council in the fourth quarter.	30-Jun-23
45	COAF 2	Risk Management	An internal control deficiency has been identified as the following policies were not reviewed for the 2021/22 financial year:Fraud prevention plan policy Not reviewedInvestigation policy Not reviewedPrivate work and declaration of interest policy Not reviewedRisk Management policy Not reviewed	Management did not exercise responsibility to ensure that policies and procedures are updated and reviewed timeously.	Council Requires time and further workshopped with more clarity on the Private work and Declaration Policy	1. Review, and approval of the Private work and Declaration of Interest Policy 2. Finalise the last consultation stage which is Policy Workshop for Councillors. The policy shall be presented in the workshop scheduled for the 3rd quarter(current)	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
						then approved by council. The following policies were reviewed and approved by Council on the 25th of May 2022 for the previous financial year, which are: 1. Risk Management Policy 2. Risk Management Strategy3. Fraud Prevention Plan4. Furthermore the council of the 14th December 2022 reviewed and approved the following policies for the current financial year, which are: 1. Risk Management policy 2. Risk Management Strategy 3. Fraud Prevention policy 4. Fraud Prevention plan 5. Investigation policy 6. Whistle-blowing policy 7. Gift policy	
46	ISA 01	ICT	**Lack of an ICT Senior Manager or Head of the ICT Department**: The audit team noted that the ICT department did not have a senior manager or Head of the ICT Department who oversees the ICT department, both the ICT Infrastructure Manager and Systems Manager reports to different units such as Corporate Services Director and CFO office.	If the ICT Senior Manager or Head of department is not filled and the responsibilities are not effectively performed, this could result in the lack of management oversight and direction for both physical and logical aspects of the ICT environment. This might expose the Authority to security vulnerabilities	Root cause is not in place as the CHDM have organogram that approved by Council.	1. Engagement with Auditor General on the finding and resolve by end February 2023	30-Jun-23

No	COAF No.	Process/ Department	Audit Finding description	Root Cause - A G	Root Cause- Management	Management Action Plan Description	Targeted completion date
				that could negatively impact IT systems, thereby, bringing business operations to a standstill or exposing the Authority to risk of fraud.			

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.

Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".

Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.

Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a “vote” as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

CHAPTER 7 - CHRIS HANI DEVELOPMENT AGENCY SOC LTD (REGISTRATION NUMBER 2012/033437/30) DRAFT ANNUAL REPORT

30 JUNE 2022

chda chris hani development agency

our people our heritage our future

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PART 1: FOREWORD FROM THE EXECUTIVE MAYOR

During this year, the Chris Hani District Municipality (CHDM) has not changed in its desire to see South Africa free and well developed for the advancement of all those who live in it.

This is true, especially under the difficult and frustrating times brought on by the challenging development environment of the CHDM, the reducing government fiscus as well as the emergence of the Covid19 pandemic.

Following the pressure on global growth trends and downward revisions in developing economies, it is no surprise that within the CHDM, we are still faced the challenges of inequality, poverty and unemployment. This is a struggle that our forebearers had set a foundation on, and as a result we are still dedicating our efforts to our fallen heroes and heroines such as the late Chris Hani, Oliver Reginald Tambo, Albertina Sisulu, Nelson Rolihlahla Mandela, Winnie Madikizela-Mandela and many others for delivering us freedom in their lifetime.

This situation thus requires all of us to rethink and refocus our economic development strategies and galvanise all hands on deck in an effort to eradicate these three evils against our people.

Our efforts seek to instil hope to our people that future prosperity is a realisable dream for all South Africans and especially the communities in our District, whilst working together as local government, communities, and our development partners.

The CHDM, therefore, continues to drive its vision of being “Leaders in sustainable economic growth and improved quality of life”, thus endeavouring to eliminate poverty and reduce unemployment and inequality within the Districts’ communities in line with the National Development Plan (NDP), Provincial Growth and Development Strategy (PGDS) and the Chris Hani Regional Development Strategy (CHREDS). The CHREDS suggests a three-pronged approach of corridor development, value chain integration and cluster development. It further puts emphasis on investment in local economic development programmes and infrastructure to facilitate the CHDM economic growth and development.

The CHDM recognises the need therefore to boost confidence and strengthen investment, including promoting co-investment in strategic projects while assuring policy and strategy certainty. It is for this reason amongst others that the **CHDA is recognised as a critical component of the District Development Agenda** (that highlights tourism, industrialisation, industrial expansion and development of regional economic hub(s), forestry, agriculture and agro-processing as the key development sectors) **and the CHREDS** with a **mandate to contribute meaningfully towards the identification, initiation, preparation and implementation of programmes and projects supporting the CHDM to promote economic growth and spatial development; as well as provide planning and implementation support to municipalities within the District.**

The promotion of regional integration through corridor and cluster development is also a key pillar in CHDM’s growth and development agenda. CHDA must continue therefore to be a catalyst to facilitate increased integrated trade within municipalities in the District, other neighbouring districts and the hinterland.

This Annual Report details yet another factual performance by the CHDA in delivering on its mandate, despite the many challenges within the service delivery environment, dynamics in working with different but much needed strategic partners and limited resources. The CHDA has continued to be a beacon of hope for the Chris Hani District Municipality by its ability to lead some of our crucial programmes that include development of agricultural value chains focusing on livestock improvement programmes, fruit production initiatives and irrigation schemes revitalisation programmes; skills development initiatives with specific reference to our Mayor’s Community Skills Fund (CHDM Bursary), as well as SETA - accredited learnerships and internships, as well as SMME development and industrialisation programmes that include the revitalisation of the Komani Industrial Park, as well as and introduction into the township and waste economies through the completion of DEA-funded waste buy-back and sorting facilities.

All these programmes have contributed to infrastructure development, as well as job creation and work opportunities for our people, and have opened the doors for SMME’s to do business with local government through preferential procurement initiatives targeted at emerging suppliers in various sectors.

In the year 2021-2022, the CHDA achieved 54% of its performance targets, an improvement on the 42% from previous year, despite having suffered budget cuts, changes in leadership, and tried to maintain good governance despite being awarded a qualified audit opinion by the Auditor General for material misstatements in the Annual Financial Statements (AFS).

This indicates that the agency has not changed in its overall audit outcome from prior year, as the number of key material findings increased in 2022 and 2021.We can only hope that agency management is able to put together a comprehensive post-audit action plan to address these internal control weaknesses, and raises alternate funding sources to overcome its financial difficulties in 2022-2023.

In my fourth Annual Report in my term of office, I would like to congratulate and thank the CHDA Board, Management and Staff on their continued commitment in these trying times, despite the negative audit outcome and for this collective effort in providing continued and meaningful and sustainable economic development for the CHDM. The CHDM will also strive to provide required resources and strategic guidance and support to ensure that the agency is able to continue its valuable work in future.

The CHDA must continue to review its strategy and operating model to ensure that CHREDS and the District Development Agenda is achieved. I assure you of my unwavering support in all your economic development efforts.

Cllr: Wongama Gela

Executive Mayor

Chris Hani District Municipality

30 January 2023

PART 2: CHAIRPERSON'S STATEMENT

Introduction

Since its inception in 2012 the Chris Hani Development Agency (CHDA) has enjoyed enormous support from the Chris Hani District Municipality (CHDM), which enabled it to deliver on its broader mandate of economic development within the district, and for this, the Board of CHDA is immensely appreciative. It is for this reason that, amongst others, the Board has positioned the CHDA at the centre of the economic development activities of the CHDM by directing the focus and energy of the executive management towards a clean administration and good governance, the initiation, development and implementation of programmes and projects that seek to obliterate poverty, inequality and unemployment within the district in direct support of healthy intergovernmental relations and dynamic local economic development efforts

Strategy and Operational Performance

The economy of the Chris Hani District is relatively small, contributing minimally to the South African economy and Eastern Cape economy. Critically high levels of inequality, poverty and unemployment still prevail within the CHDM, and consequently the exclusion of poor communities from the formal mainstream economic opportunities requires some intervention if the triple ills (poverty, unemployment and inequality) are to be meaningfully addressed. The extent of the marginalisation of poor people from the formal mainstream economy and opportunities for income generation is such that it demands the implementation of intervention strategies that will implant equitable distribution of resources resulting in meaningful participation of the marginalised communities in the main - stream economy. It is against this backdrop that, during the period under review, and following the approval of the strategy by the Board, the CHDA commenced the implementation of major organisational programmes and projects aimed at sharpening its alignment with key elements of the district development agenda.

The annual performance plan for 2021-2022 was approved by the CHDA Board and implemented by Management. However, I am glad to thank Management for its efforts, where despite having limitations in key management positions, was able to close with a performance of 54%, which is an improvement from the 42% reported in the previous year 2020-2021.

The 2021-2022 financial year was a very trying year for the agency, but the onset of the Covid19 pandemic having an impact on operations, the tight government fiscus and subsequent budget cuts also affecting the

financial resources of the agency and its abilities in meeting its performance commitments. The ongoing leveraging of resources through strategic partnerships (public and private sector), while it has its own dynamics, challenges and risks, has enabled the CHDA to attain some of its achievements, as well as the continued financial support of the parent municipality under these trying times. This is testament to the continued hard work and commitment of Management and Staff in implementing the performance plan towards realisation of strategic objectives, and the CHDM leadership in facilitating the continued success of the agency, and for this, I and the CHDA Board remain thankful.

Strategic Relationships and Synergies

The CHDA has continued in investment into key development synergies and partnerships, and in the year under review continued in maintaining these relationships. This is to ensure that development partnerships yield desired results and contribute to the district development agenda and mandate of the CHDA. These key relationships included ongoing working partnerships with the Department of Trade and Industry (DTI) in infrastructure development for the Komani Industrial Park, Sectoral Education and Training Authorities (SETA's) in skills development programmes, as well local municipalities, the Eastern Cape Department of Rural Development and Agrarian Reform (ECDRDAR) , the National Council of Geosciences, Local Municipalities, Chris Hani Co-operative development Center (CHCDC) and the parent municipality, CHDM, amongst others for their continued support in implementing agency programmes across various communities, and assisting with additional capacity and resources.

The CHDA continues to be grateful for these partnerships and looks forward to a continued working relationship with its development partners.

Implementation of LED Programmes and Projects

I am pleased to announce the agency was in its second year of implementing under its operator license for the Komani Industrial Park within the Enoch Mgijima Local Municipality, and this is envisaged to make enormous impact (transitional and permanent) particularly with regard to operationalising the industrial park and attracting investment as well as facilitating employment creation through manufacturing. The agency plans to commence the rental billing activities in the upcoming year.

CHDA has been a critical partner for skills development in the district, through its ongoing partnerships with the Seta's, specifically the HWSETA and CETA, for implementation of targeted skills programmes in our communities, allowing the agency to contribute to skills development in the district despite the phasing out of the CHDM-funded Community Skills Bursary Fund. These programmes include learnerships and internships with the Construction Seta (CETA) and Health and Welfare Seta (HWSETA), where local youth are enrolled and gain meaningful opportunities to gain skills in construction, and other related fields. The agency continued its career seminar intervention, visiting local schools and engaging learners in promoting qualifications in scarce skills.

The agency continued implementing its agriculture and agro-processing programme portfolio, and once again reported sizable contributions to animal health through a large – scale vaccination programme in the district funded by the CHDM which saw over 3730 local emerging farmers being supported and a total investment being made on vaccines totalling just over R3 million. The agency continued its artificial insemination programme to assist with breeding support to emerging livestock farmers with over 500 animals

being inseminated. We are hoping to continue livestock improvement initiatives in the upcoming year, working closely with our partner, the CHCDC on implementation of the RAFI programme in the district.

The agency continued its fruit cluster expansion programme, and continued support of the 30ha pomegranate fruit pilot at Mitford Farms, and 12ha wine grape vineyard at Shiloh irrigation scheme. The agency also facilitated a total investment in local co-operatives totalling R8million, where the CHCDC was a key implementing agent in commercialising, up-skilling and supporting local fruit, vegetable and livestock co-operatives in the district.

The mechanisation center based in Qamata Irrigation Scheme implemented a revised tariff structure. This led to improvements in revenue collection, despite high center running costs. A revision to the operating business model of the center is planned, to allow for service delivery improvements and increased efficiency in the running of mechanisation support services in the district. The agency also worked with local producers to facilitate offtake agreements for local agri-producers amounting, where CHDA was able to provide assistance to local producers gain access to the formal market, which included wool from local shearing sheds, wine sales from Inkosi wine brand from Shiloh, and sale of maize from mechanisation harvesting support initiatives.

Due to budget challenges, the agency was unable to complete its targeted number of technical and feasibility studies geared towards corridor development, but a sizable investment of R8million was made by the CHDM towards development enabling technical studies, that are geared towards long term investment projects in the Komani Industrial Park and other areas in the district as a whole. In working with its partner the CHCDC, the agency was able to gain sizable progress on the construction of the fruit and vegetable packaging facility at Ezibeleni, with plans to commercialise the facility being made for upcoming year.

Job Creation and Facilitation of Work Opportunities

The CHDA was able to recruit a larger number of local persons in 2021-2022 across various initiatives, as compared to 200 CHD locals in its various programmes during the previous year, resulting in job creation and work opportunities for locals as well as an income opportunity for these families. The CHDA hopes to continue with job creation efforts going forward in its various LED initiatives. This includes an ongoing internship programme where the agency is actively engaging unemployed graduates in a work placement programme in the district, allowing these young people access to on-job training and work experience, whilst earning an income to support their families.

Infrastructure Implementation Support to CHDM

The CHDA was also instrumental in providing infrastructure implementation and project management support to the CHDM in 2021-2022. This was mainly targeted at water projects and eradicating the service delivery backlog of the municipality. The agency performed well, as was able to facilitate and manage spending on delayed projects to the tune of over R42million by end June 2022. This also assisted the agency in raising much-needed management fee revenue to assist with budget cuts, through an agency fee.

Governance

The CHDA is wholly owned by Chris Hani District Municipality, the Executive Mayor holds the Board of Directors accountable for managing the CHDA to deliver on its mandate. During the year, we held a strategic session with the shareholder where specific resolutions were taken. The session provided an opportunity for

the shareholder and the board to engage on strategic and operational matters. **Sadly, the agency was unable to maintain an unqualified audit opinion in 2021-2022, which shows no improvement from the prior year's qualified audit opinion.** The qualification was brought about by accounting issues relating to internal control weaknesses in SCM processes, as well as compliance with GRAP standards. These will be looked at in-depth by the applicable oversight structures through monitoring of the post-audit action plan, and an audit readiness and improvement plan being developed early for the MFMA 2022-2023 period.

Challenges

During the year, CHDA faced a number of challenges, which have had an unfortunate impact on the non-achievement of some of the performance targets set. Some of these challenges have arisen precisely because of the dynamics of working with partners in many of the agency's programmes and projects, non-receipt or late-receipt of funding from third parties, budget cuts for Led programmes, as well as key vacancies in the organogram that were unfilled by end June 2022.

Outlook

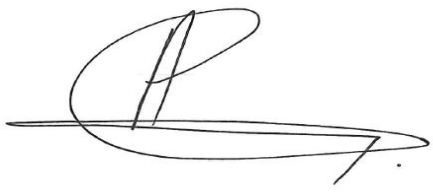
The coming financial year will see reinforced focus on consolidating the organisation's performance, as well as improving the financial sustainability of the organisation through own-revenue generation and targeted fundraising efforts. This will also include possible expansion of the agency's mandate to infrastructure projects, in assisting the parent municipality with its water service delivery mandate. We look forward to an improved set of business results in 2022-2023.

Acknowledgements and Appreciation

On behalf of the Board, I wish to extend my most sincere gratitude to our shareholder for ongoing support and guidance it has been of great value to the Board and Management. I would like to take this opportunity to express gratitude to fellow Board members for their invaluable contribution

I also wish to congratulate the executive team and all CHDA staff, admirably led by Mr Zolile Duze as the CEO, and then by Mr Abongile Hala for the last quarter of the 2021-2022 period, on their continued commitment, hard work and perseverance during these challenging times. We also wish Mr Zolile Duze well as he takes up his new positions at the CHDM, and wish Mr Abongile Hala well in taking the agency to new heights in 2022-2023.

Adv. Andile Mini
Board Chairperson
Chris Hani Development Agency
30 January 2023



PART 3: CHIEF EXECUTIVE OFFICER'S REPORT

Over the years, the CHDA has moved from strength to strength, after having taken time to find its feet after numerous changes.

The year 2021-2022 was a challenging year for the agency, due to the legacy of the prior year's Covid19 pandemic and resulting lockdown period, a change in the, and a tight government fiscus and agency budget allocation cuts all resulting in a poor organizational performance score and qualified audit outcome.

In my honest assessment as Accounting Officer, the agency improved in its performance at 54% as compared to 42% in prior year, although it was unable to improve on its qualified audit opinion which went beyond material mis-statements in the Annual Financial Statements, to include GRAP non-compliance, SCM internal control weaknesses resulting in irregular expenditure.

However, despite the challenges, the agency also did have some notable highlights worth reporting for the year which are summarized as follows:

Programme 1: Creation of a Viable and Proficient Organisation

This programme talks to organisational sustainability, finance, support and administration activities. Key highlights for the year were:

- This area did not show an improvement in 2021-2022, as can be seen from the qualification by the Auditor General
- There were challenges with the audit opinion arising from internal control weaknesses, non-compliance and material mis-statements in the AFS, as well as budget – related issues affecting the ability to fully implement on the approved internal audit plan and HRM plan, and key vacancies
- The agency also failed to meet its performance commitments on own revenue generation and funding mobilization, to enable it to reduce its reliance on operational grant income from the parent municipality thus leading to budgetary control issues raised by the Auditor General

The agency met its ICT strategy commitments and incorporated several improvements to internal systems and controls to allow for remote working arrangement as well as minimize cyber-attacks and resulting financial losses.

Programme 2: Funding Mobilisation and Investment Promotion

This programme talks to fundraising for LED and investor attraction and promotion activities. Key highlights for the year were:

- The agency failed to meet its fundraising target despite having worked hard to make funding applications to numerous funders
- The agency also struggled with attracting investors, with key investment received from the DTI, to support critical infrastructure upgrades for the Komani Industrial Park at Ezibeleni. Plans are in place through the CHCDC partnership to secure additional investment funds through mobilization of third parties like DBSA and DSBD, and agency hopes to make notable reports on progress on these interactions in the upcoming year

The agency also managed to secure key tenants to the industrial park under its operating leases management on behalf of the Enoch Mgijima Local Municipality, and exceeded its investor promotion events target, where the office of the EMO and CEO were able to host round table events which were targeted at lobbying partnerships and investments to assist with industrial park operations, engaging manufacturers and industrialists, waste economy, livestock and breeding activities, and well as youth involvement in the economy of the district as well as skills development.

Programme 3: Creation of Economically Viable and Sustainable Rural Corridors

This programme talks to corridor development, with an emphasis on skills development, cropping programmes, livestock improvement and planning work. Key highlights for the year were:

- The CHDA continued with its job creation and work opportunity facilitation role, with the 2021-2022 financial period showing an improvement in number of local youth, women and unemployed persons gaining meaningful employment and earning opportunities across various CHDA funded and implemented programmes. This includes ongoing implementation of the agency internship programme, as well as Seta funded programmes aimed at locals from the district.

- The career seminar and youth engagement towards critical skills also continued. This included ongoing career guidance to high school learners through the career seminar programme, where the targeted number of events was exceeded through the effective use of technology allowing for multiple events to be held across a number of different locations in a single day

The agency continued its work in the large irrigation schemes, and provided ongoing facilitation work with the rural community farmers based at the schemes. However, the Covid19

- The CHDA battled with the finalization of key technical studies due to challenges with funding for consultants, as well as internal capacity limitations to conduct feasibility assessments and business plans. These key studies have been rolled over to 2022-2023 as they are integral in building corridor development, raising funding and improving project planning.

- The agro-processing initiatives of the CHDA showed a lot of progress in 2021-2022, with the agency being closer to completion of the Logic Packhouse at Ezibeleni, and plans to revive the dormant Molteno Biltong Factory being underway. The agency was also able to provide feed support to a local piggery initiative, as well as implemented two livestock breeding support programmes in the district, an

animal health and vaccination initiative as well as commercialization of four shearing sheds in the district to support emerging livestock producers

- The cropping programme, despite budget limitations, saw continued support of the 30ha pomegranate pilot and 12ha vineyard initiative from prior years, which were coupled with ongoing mechanization support to local farmers resulting in over 4900ha of crops under production across various CHDA programmes. This included key hectarage covered by local producers in the co-operative support programme being implemented by the CHCDC and funded by the CHDM to the tune of R 8 million in 2020-2021. This production support allowed the signing of offtake agreements to allow local producers market entry.

This programme was selected by the Auditor General for testing of predetermined objectives, and there was no qualification on the performance information, its usefulness or reliability. This shows that the agency has improved on performance information collation, management and reporting procedures.

4. Infrastructure Implementation Support

This programme had a 100% performance rate to predetermined outcomes. It's worth noting the following achievements:

- The CHDA signed a service level agreement with the parent municipality in December 2020, to act as implementing agent for key water projects being implemented as part of the service delivery backlog of the CHDM
- The agency commenced implementation support in March 2021, and by end June 2021 had been able to facilitate key infrastructure spending of up to R 29.5 million and realizing over R2.5 million in agency fee income in its first year, and expended over R40million in the 2021-2022 period, realizing over R4.2million in agency fee revenue.

Despite the poor audited results, I wish to close by noting that everyone at CHDA gave generously to the organisation's development and achievements this past financial year. I am more than confident that they will do the same in future. For this, I extend my thanks and assure all of my colleagues that they will continue to enjoy my full and ongoing support.

I recognise the contributions of all CHDA people at all levels in the organisation and, particularly wish to thank the CHDA Board and CHDM leadership for their continued advice and wise counsel. I also wish to thank my predecessor, Mr Zolile Duze, in an effective handover when I took on the role as Acting CEO in the last quarter, and wish him well for his future endeavours.

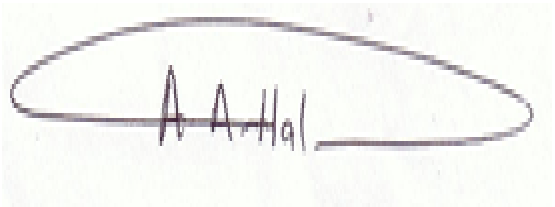
Together, we will succeed in taking CHDA to greater heights.

Mr Abongile Hala

Chief Executive Officer (Acting)

Chris Hani Development Agency

30 January 2023



PART 4: REPORT BY THE AUDIT AND RISK COMMITTEE

Picture: Wool shearing sheds and offtakes on wool sales

The CHDA considers fraud risk and internal controls as an objective of internal control activities with fraud perceived to be a potential internal control failure. The committee performed its oversight function activities guided by its Charter and its Terms of Reference adequately with additional sittings held where necessary. The Committee therefore supports the Board in implementing its oversight responsibility by overseeing and reporting to the Board on the following:

Risk Management:

Effective risk management is integral to the organisation's objective of consistently adding value to the business. CHDA fully implemented and maintained a system of risk identification and management with progress reports on updating risk registers to report on matured, emerging and risks with no movement in accordance with the requirements of the MFMA. The agency was able to develop a comprehensive action plan against identified risks, and continued to improve in its addressing of internal control gas and improvements, as well as risk reporting to the committee.

Internal Audit:

The agency adopted an outsourced internal audit system to perform internal audit functions based on an approved risk - based internal audit plan for 2020-2021, which was executed to 82%, as 2/11 of the planned audits for the year could not be finalised before end June 2021 due to scheduling challenges and budget availability challenges due to additional ad-hoc assignments commissioned by the committee and the CHDA Board. These audits were deferred to the 2021-2022 financial period and finalised. The approved internal audit plan for 2021-2022 was also not completed in full due to the rollover of audit assignments from the previous year, with these being rolled over to the first two quarters of the 2022-2023 period.

All internal audit findings were reported to Management, the Committee as well as the Board, and a post-audit follow up conducted to provide assurance that management had actioned recommendations from audits. Key audits concluded were on performance, BTO, asset and fleet management, SCM, governance and compliance, with delays on the planned ICT applications review and HR administration audits, both of which had no findings by the Auditor General in the management and audit reports for 2022.

Fraud and Corruption:

The agency has access to the parent municipality's independent fraud and anti-corruption whistleblowing hotline. Training was held for Management and Staff on Fraud, Corruption and Ethics awareness, as well as reporting on the parent municipality's whistleblowing hotline to deter criminal acts and financial misconduct. Internal controls were continuously strengthened with key agency policy reviews conducted and approved on the existing Finance, Budget and SCM policies, as well as Standard Operating Procedure manuals to assist in strengthening of internal controls and standardising processes and procedures. Unfortunately, not all policies were reviewed in the year, leading to a governance finding in the audit report. An action plan has been developed to get the policy framework up to date in the next financial year.

Effectiveness of Internal Controls:

In order to meet its responsibility of providing reliable financial information, the CHDA maintained financial and operational systems of internal controls designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material loss of unauthorised acquisition, use or disposition, and that transactions are properly authorised and recorded. The system includes a documented organisational structure and division of responsibility, established policies and procedures regularly communicated throughout the organisation, and careful selection, training and development of staff. There are however inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. In the financial year of reporting, the Committee met with management and internal auditors on a quarterly basis to track progress in resolving outstanding internal control issues previously raised by the Auditor- General and internal audit.

Based on our reviews of the audit findings, the internal control environment revealed weaknesses, hence the qualified Auditor General's audit opinion for 2021-2022, arising from non-compliance with GRAP standards, SCM irregularities and material accounting mis-statements in the Annual Financial Statements which is sadly a regression from the unqualified and clean audit opinions realised in prior years up to 2019-2020. The upcoming introduction of municipal disciplinary boards will also be utilised to ensure that any material non-compliance is reported, investigated and remedial action taken to correct these non-compliance issues going forward.

This includes the development of an ethics management framework for the agency, to create awareness on ethical conduct, thus minimising malicious non-compliance, and unethical conduct by management and staff.

As a result, the Committee will be ensuring that a comprehensive post-audit implementation plan is in place to address these short-comings, and that they are fully resolved before the end of June 2023 to mitigate the risk of another negative audit outcome. The committee will also be looking at

investigating the root causes of irregular, unauthorised, fruitless and wasteful expenditure disclosed, in line with the MFMA, to commence applicable action should there be non-compliance by officials. These will be formerly reported to the parent municipality by the committee, as well as actions taken by the CHDA Board against affected officials where applicable. The committee notes that there may also be mitigating factors outside of the direct control of the agency and management, such as the pandemic and shrinking government fiscus, and related budget cuts, which could not be avoided.

Mr Ananiah Mangisi Langa

Audit Committee Chairperson , Chris Hani Development Agency, 30 January 2023

PART 5: REPORT BY THE COMPANY SECRETARY

Picture: Foyer –CHDA Offices, 15 Warner Street, Komani

I confirm my role as Company Secretary to the CHDA for the period ended 30 June 2022.

Section 88(2)e of the Companies Act 71 of 2008 requires a Company secretary to certify whether the company has filed required returns and notices in terms of the Act, and whether all such returns and notices appear to be true, correct, and up to date. The filing which took place in the period includes:

- Lodgment of annual return with CIPC
- Update of executive and non-executive directors with CIPC, as well as update of key management

I hereby confirm, in my capacity as Company Secretary of the Chris Hani Development Agency (CHDA), that for the financial year 2021-2022, that the company, Chris Hani Development Agency SOC Ltd, complied in

terms of the Companies Act with regards to governance and filing of the necessary lodgements and disclosures.

Mr Jameson Matiza

Company Secretary

Chris Hani Development Agency

30 January 2023

PART 6: REPORT BY THE EXTERNAL AUDITOR

Picture: Bricklaying Apprenticeship Programme in Partnership with Construction Seta (CETA) in Ngcobo

Report of the auditor-general to Eastern Cape Provincial Legislature and council on the Chris Hani Development Agency SOC Ltd

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Chris Hani Development Agency SOC Ltd set out on pages…to..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for effects of the matter described on the basis for qualified opinion section of this auditors report, the financial statements present fairly, in all material respects, the financial position of the Chris Hani Development Agency SOC Ltd as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with South African Standard of Generally Recognised Accounting Practice and the requirements of the Municipal Financial Management Act 56 of 2003 (MFMA) and Companies Act of South Africa, 2008 (Act No 71 of 2008(the Companies Act).

Basis for opinion

Prior period errors

3. The municipal entity had incorrectly disclosed previous period errors in note 34 to the financial statements, as required by GRAP 3, Accounting policies, estimates and errors. The nature and the amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest previous period were incorrectly disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for the previous period errors disclosed, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the previous period errors disclosed in the financial statements.

Corresponding figures

Net cash flows from investing activities

4. The municipal entity did not correctly prepare and disclose the net cash flows from investing activities as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from investing activities as stated at R18,8 million. in the financial statements were necessary.

Context for the opinion

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

6. I am independent of the municipal entity 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.

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

Unaudited disclosure notes

9. In terms of section 125(2)(e) of the MFMA, the municipal entity is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the

financial statements in accordance with SA Standard of GRAP and the requirements of the MFMA and Companies Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, the accounting authority is responsible for assessing the municipal entity'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 municipal entity or to cease operations, or has no realistic alternative but to do so.

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

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

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipal entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipal enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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

Programme	Pages in the annual report
Programme 3: To Develop viable and sustainable rural economies	X-X

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

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages … to ... for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing.

These material misstatements were in the reported performance information of to develop viable and sustainable rural economies. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual Financial Statements

23. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of property, plant and equipment, receivables from exchange transactions, Revenue from non-exchange transactions and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

24. Money owed by the municipal entity was not always paid within 30 days as required by section 99(2)(b) of the MFMA.

25. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 95(d) of the MFMA. As the entity incurred a total fruitless and wasteful expenditure of R1,2 million in the current financial year. The majority of the disclosed fruitless and wasteful expenditure was caused by late payments by the entity which resulted in interest and penalties being accrued.

Procurement and contract management

26. Measures to combat the abuse of the SCM system were not implemented as per the requirements of SCM Regulation 38(1), because one contract was awarded to provider who has committed a corrupt or fraudulent act in competing for the contract.

Other information

27. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. I have nothing to report in this regard.

Internal control deficiencies

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

31. There was insufficient oversight to ensure consistent implementation and monitoring of controls over financial, performance information and compliance with legislation. This was due to a lack of capacity and accountability.

32. The municipal entity did not have adequate systems to monitor compliance with all applicable legislation, and as a result, non-compliance with legislation was not prevented. There was inadequate supervision, monitoring and consequence management in respect of management of the operations of the municipal entity.

33. Although the municipal entity developed an audit action plan to address audit findings, however, this audit action plan was not implemented throughout the year and therefore resulting in recurring material misstatements in the current year.

Auditor General (Hand written)

East London

30 June 2022

Annexure - Auditor-general's responsibility for the audit

1. 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 programmes and on the municipal entity's compliance with respect to the selected subject matters.

Financial statements

2. 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 municipal entity's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the [board of directors, which constitutes the accounting authority

- conclude on the appropriateness of the accounting authority's 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 Chris Hani Development Agency SOC Ltd 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 municipal entity 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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting authority 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.

4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to 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.

Picture: Mechanisation Support

PART 7: ANNUAL PERFORMANCE REPORT

Introduction:

The agency's strategic objectives are aligned to the parent municipality's IDP objectives, and the approved operational mandate issued by the shareholder. These have been secured in a Service Level Agreement (SLA) between the agency and the Chris Hani District Municipality (CHDM) for the year 2021-2022 and have served the basis of structuring the agency's Annual Performance Plan (APP) for the year.

These overarching strategic objectives, or programmes are:

1) ***To develop a proficient, viable and self-sustainable entity by 2025***
2) ***To mobilise funding and facilitate investment promotion into the district by 2025***
3) ***To develop economically viable and sustainable rural corridors by 2025***
4) ***To support implementation of enabling infrastructure projects in the district by 2025***

The annual performance report will provide an assessment of the agency's performance in the period starting 1 July 2021 to 30 June 2022, against these identified strategic programmes, and reflect in depth on areas of non-performance.

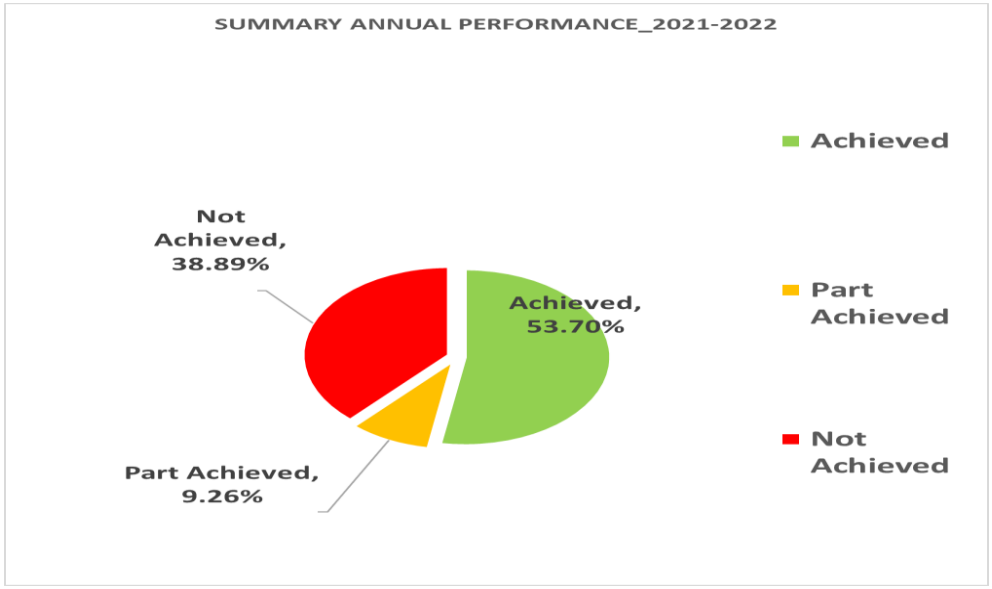
1. Summary Organizational Performance – Annual for 2021-2022:

The agency's assessed performance for the period 1 July 2021 to 30 June 2022, is as follows:

Achieved:	***54%***	*(100% or greater completion of planned outputs due by end June 2022)*
Partially achieved:	***9%***	*(75 – 99% completion of planned outputs due by end June 2022)*
Not achieved:	***37%***	*(less than 75% completion of planned outputs due by end June 2022)*

The recorded performance is an improvement from previous financial year, which closed at 42% performance, but is still not as high as the previous year ending June 2020 which closed at 71%. Currently, the agency is almost back to where it was in 2016-2017, at a recorded performance of 60%, and is starting to exhibit signs of coming out of a steady regression in performance.

1	SUMMARY OF AUDITED ANNUAL PERFORMANCE				Regression in organisation performance from prior periods:
2	Total targets for the year	54			
3	Exceeded for the year (>100%)	8	15%	*Exceeded as a portion of Achieved targets*	_2021 (42%)
4	Achieved for the year (100% or >)	29	54%		_2020 (71%)
5	Part achieved for the year (75-99.99%)	5	9%	62.96%	_2019 (70%)
					_2018 (76%)
6	Not achieved (0-74.99%)	21	39%		_2017 (60%)



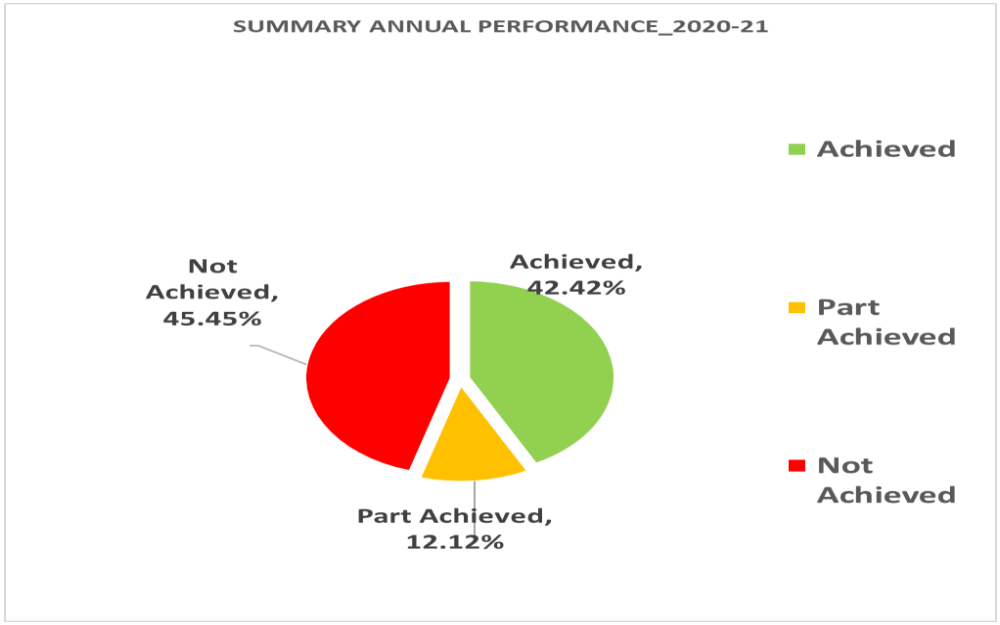


Figure 1 _ Organisational Performance Summary _ 2021-2022 vs 2020-2021

In compiling the performance figures, the organizational performance was reviewed against the individual performance by programme, across each of the 5 key programmes in 2021-2022. The performance by programme can be summarized as follows:

1) ***To develop a proficient, viable and self-sustainable entity by 2025***
2) ***To mobilise funding and facilitate investment promotion into the district by 2025***
3) ***To develop economically viable and sustainable rural corridors by 2025***
4) ***To support implementation of enabling infrastructure projects in the district by 2025***

	STATUS ON ANNUAL PERFORMANCE as at 30June2022 _ 2021-2022						
	Strategic Programme	Targets for the year 2021-2022	Achieved 100% or >	Part Achieved 75% - 99%	Not Achieved 74.99% or <	Achieved Above Required Performance Metric	%
PROG1	TO DEVELOP A PROFICIENT, VIABLE AND SELF-SUSTIANBALE ENTITY BY 2025	26	9	5	12	1	4%
PROG2	TO MOBILISE FUNDING AND FACILITATE INVESTMENT PROMOTION INTO THE DISTRICT BY	4	3	0	1	1	25%
PROG3	TO DEVELOP ECONOMICALLY VIABLE AND SUSTAINABLE RURAL CORRIDORS BY 2025	22	15	0	8	4	18%
PROG4	TO SUPORT IMPLEMENTATION OF INFRASTRUCTURE PROJECTS IN THE DISTRICT BY 2025	2	2	0	0	2	100%
	Total:	**54**	**29**	**5**	**21**	**14.81%**	**0%**
			54%	**9%**	**39%**		

	STATUS ON ANNUAL PERFORMANCE as at 30June2021 _ 2020-2021						
	Strategic Programme	Targets for the year 2020-2021	Achieved 100% or >	Part Achieved 75% - 99%	Not Achieved 74.99% or <	Achieved Above Required Performance Metric	%
PROG1	TO DEVELOP A PROFICIENT, VIABLE AND SELF-SUSTIANBALE ENTITY BY 2025	5	1	2	2	0	0%
PROG2	TO MOBILISE FUNDING AND FACILITATE INVESTMENT PROMOTION INTO THE DISTRICT BY	3	1	0	2	0	0%
PROG3	TO DEVELOP ECONOMICALLY VIABLE AND SUSTAINABLE RURAL CORRIDORS BY 2025	24	11	2	11	5	21%
PROG4	TO SUPORT IMPLEMENTATION OF INFRASTRUCTURE PROJECTS IN THE DISTRICT BY 2025	1	1	0	0	1	100%
	Total:	**33**	**14**	**4**	**15**	**6**	**18%**
			42.42%	**12.12%**	**45.45%**		

Figure 2 _ Detailed Organisational Performance by Strategic Programme - Tabular_ 2021-2022 vs 2020-2021

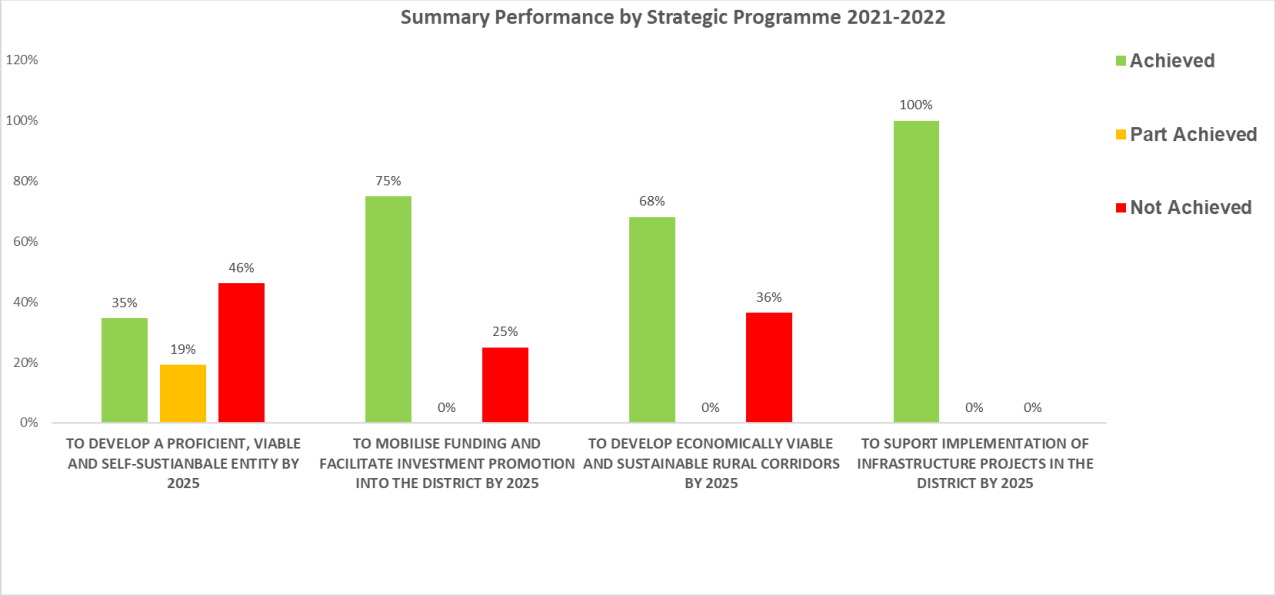
Improvement in 2021/2022 on key programme performance, even with a higher number of indicators and targets

2022 = 54% (54 targets)

2021 = 42% (33 targets)

[This is a 12% increase in recorded performance with over a 60% increase in targets]

The detail above has been summarized below:



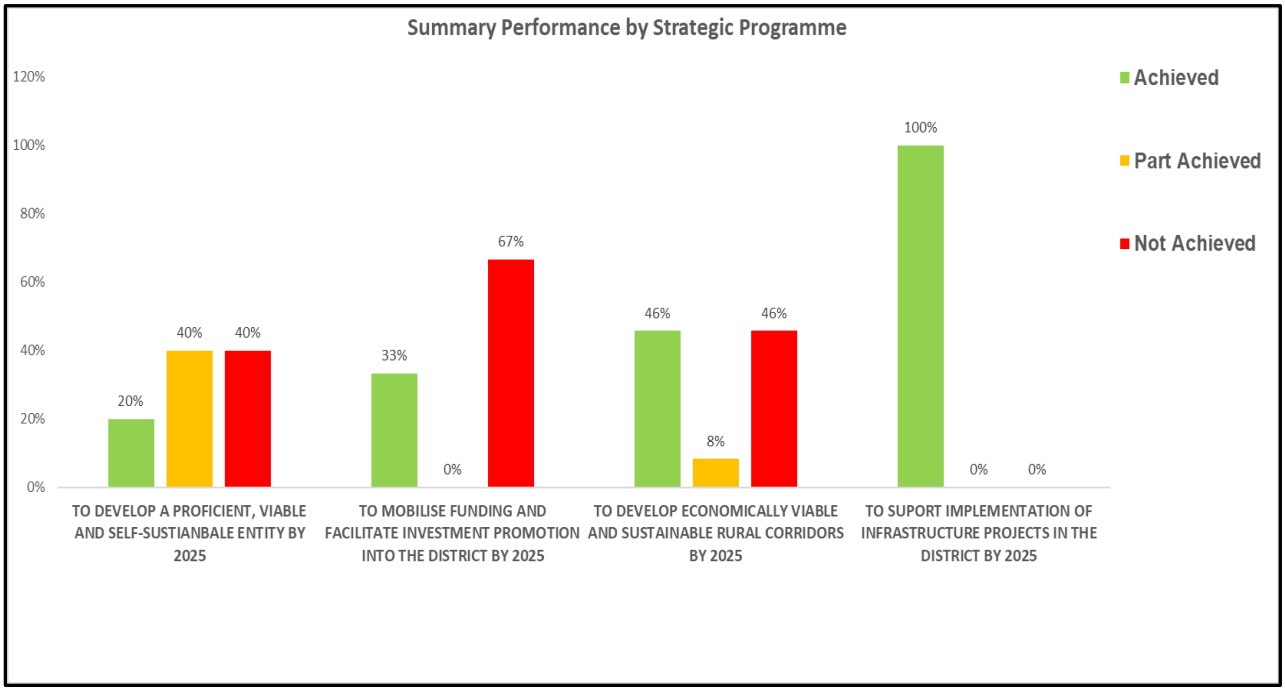


Figure 3 _ Comparative Organisation Performance by Strategic Programme - Graphical _ 2021-2022 vs 2020-2021

The charts above indicate the status of key output deliverables as of 30 June 2022. A detailed look at these figures is explained below:

- A total of 29 deliverables of the 54 (54%) identified for the year have been achieved to within 100% or above of the annual target. **Of the number of targets achieved, a total of 8 of the 29 (14.81%) have been achieved above the required performance metric (achieved above target) [GREEN AND BLUE].**

- A total of 5 deliverables of the 54 (9%) identified for the year have been partially achieved to within 75-99.99% of the annual target. **On a holistic level, there was positive movement of 75% and above on 63% of the annual performance objectives by the end of June 2022, looking at fully and partially achieved targets [AMBER].**

- In closing, a total of 21 deliverables of the 54 (39%) identified for the year have not been achieved, as they have fallen within 0-74.99% of the annual target **[RED]. Of these, a total of 14 of 20 (70%) were at nil, with the remaining 30% having partial movement and achievement, but falling below 75%.**

If these 6 outliers were considered as well, the annual performance plan would have a total positive movement on 29 (100% of above) + 5 (75-99.99%) + 6 (1-74.99%), this would result in 74% of the plan under implementation at year end.

These performance figures were achieved with the agency spending withing its approved operational budget, but having received less than the budgeted- for funds in the reporting period.

- As a result, a lot of reliance was made on cost-containment strategies to conserve expenses under administration and general expenditure, as well as settle old debt from prior period. This resulted in delayed statutory payments and incurring of penalty and interest charges.

- However, the agency fees generated were able to assist with funding unfunded LED programs that allowed movement in key operational targets under programmes 2 and 3. This was at a cost of reserves, and ability to generate additional bank interest, as portion of fees was unreceived at year end and raised as a receivable

- Some project expenditure was allocated against unpent rollover grant funds from prior period, resulting in reduction in unspent grant balances end of 2022 as minimal additional funding was received during the year

The next part of the report will indicate in detail areas of notable achievement, and areas of non-achievement for 2021-2022, within each of the programmes' key areas of focus.

2. Summary on Key Successes – Annual for 2021-2022:

The key areas of notable performance leading to the results in the summary table above have been tabled below for easy reference.

For noting, key achievements for the year have been summarized below:

PROG 1: TO DEVELOP A PROFICIENT, VIABLE AND SELF-SUSTAINABLE ENTITY BY 2025
☺ ICT was tracking well, although plan not fully implemented at 98% - challenges with uptime and policies, but no recorded data losses, cyber-attacks, so ICT environment stable and functional
☺ Post audit action plan developed and implemented, but not to completion, with challenge on PPE issues to be monitored
PROG 2: TO MOBILISE FUNDING AND FACILITATE INVESTMENT PROMOTION INTO THE DISTRICT BY 2025
☺ The agency may have missed the annual target on investments secured into the district, but it played a major role in creating an enabling environment for effective engagement of key stakeholders across a number of sectors through hosting of round table events. These events covered industrialization to promote the Komani Industrial Park, opportunities in the local waste economy, livestock production and agribusiness opportunities, and skills and youth in economic activity, and served to assist in identifying key role players within the Chris Hani district's economy, and areas of economic growth, as well as sector challenges affecting development
☺ Funding target was met, with raising of additional funds to assist in LED project implementation as well as was generation of agency fee income
PROG 3: TO DEVELOP ECONOMICALLY VIABLE AND SUSTAINABLE RURAL CORRIDORS BY 2025
☺ The agency continues to play a critical role in guiding youth into careers of high skills demand through its career exhibitions. This is to provide a platform where learners can source information from tertiary institutions and potential employers of skills and qualifications in demand, so they are better equipped in making sound career choices that will address the critical skills shortage in the Chris Hani district, as well as help reduce unemployment by making graduates more attractive to the job market
☺ The agency was able to provide sustained job placement and employment of graduates in various internship programs
☺ Local SMME's were trained and capacitated in key partnerships with COGTA, FNB and Black Umbrellas, ECDC
☺ Critical infrastructure programme commenced and saw technical planning work being started to assist with the commercialization of the Komani Industrial Park, as well as key economic and investment driving infrastructure projects, comprising of bulk infrastructure assessment to commercialize the Komani Industrial Park, as well as technical studies on bulk storage facilities, feedlot establishment, agri-inputs and related to support local LED initiatives
☺ Emphasis on stakeholder engagement in irrigations schemes assisted in planning work, as well as addressing social instability issues affecting development programmes in these areas
☺ Partnerships and synergies were formed, and technical partnerships assisted in formalizing working arrangements in commercializing a waste economy in the district through operationalizing the waste buy-back facilities in Enoch Mgijima Local Municipality, as well as conducting large-scale animal vaccination and health support services to emerging farmers. The support to the vineyard and pomegranate initiative continued in the 2021/2022 period, and our partnership with CHCDC was instrumental in finalization of work on the Ezibeleni packhouse to assist local fruit and veg producers
☺ Shearing sheds launched in the previous financial period were operational, with wool growers again recording positive sales from offtake arrangements facilitted by CHDA
☺ The mechanization center, despite being unfunded, was able to generate revenue and cover its operations in 2021/2022 – this was achieved through prioritization, effective billing and revenue collection processes, as well as re-investment of all funds generated on mechanical repairs and maintenance, as well as operating inputs

PROG 4: TO SUPPORT IMPLEMENTATION OF ENABLING INFRASTRUCTURE PROJECTS IN THE DISTRICT BY 2025		
Objective	**Target Focus Area**	**Actual Deliverables / Successes Realized**
CHDM Infrastructure Implementation Support Programme	Infrastructure Project Implementation Expenditure and Own Revenue Generation	☺ The CHDA entered into a service level agreement (SLA) with the parent municipality (CHDM) to assist in critical infrastructure implementation support on water backlog projects ☺ Agency fee income from infrastructure implementation support was exceeded ☺ Implementation of projects tracking well, with expenditure targets exceeded • ***Programme source of litigation and SCM non-compliance, so has to be monitored closely going forward***

Summary on Areas of Non-Performance – Annual for 2021-2022:

The key areas of non-performance leading to the results in the summary table above have been tabled below for easy reference.

The table indicates areas of non-performance, underlying issues, and progress to remedial action and anticipated level of confidence in target being achieved in the new financial year.

<table>
<tr><th colspan="6">PROG 1: TO DEVELOP A PROFICIENT, VIABLE AND SELF-SUSTAINABLE ENTITY BY 2025</th></tr>
<tr><th>Objective</th><th>Focus Area</th><th>Area of Non-Performance</th><th>Reason / Root Cause</th><th>Planned Remedial Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2022/2023</th></tr>
<tr><td>Corporate Governance</td><td>Unqualified Audit</td><td>Qualified audit outcome for 2020 financial period due to non-compliance with Grap17 on treatment of PPE</td><td>Poor stakeholder management (AG)
Poor implementation of AG, Internal Audit and Audit Committee recommendations
Vacancies in key management positions
Delays in filling of priority positions
Weak policy environment and reviews
No consequence management</td><td>Improve engagement with the AG audit team
Accept and implement corrective actions suggested by AG, Internal Audit and the Audit Committee to mitigate risk of negative audit opinions
Comprehensive post-audit action plan to ensure all audit issues raised are addressed, with audited follow-up
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>CEO, CFO</td><td>Ongoing</td></tr></table></td><td>Yes</td></tr>
<tr><td rowspan="3">Corporate Governance</td><td>Oversight Committees and Compliance</td><td>Planned sitting of oversight committees did not take place
Compliance requirements not met for the year in line with applicable legislation
Board and committee performance evaluations not conducted</td><td>There were scheduling challenges during year but sittings did take place at least once per quarter
Delays in finalizing compliance register to allow for earlier tracking or progress
Vacancies in critical positions
Delayed sitting to applicable structures affected ability to monitor and conduct assessment of board members</td><td>Ensure compliance register in place for 2022/2023 and standing agenda item at ARC, Govcom and Board sittings
Consequence management policy to be delivered with clear action for non-compliance to increase accountability
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>CEO, CFO</td><td>30 October 2022</td></tr></table></td><td>Yes</td></tr>
<tr><td>Risk Management</td><td>Planned risk management activities not completed</td><td>Policy review workshops delayed
Ad-hoc assignments affected ability to fully execute approved IA plan
Post-audit action plan not fully implemented by end of financial year</td><td><table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>CEO, CFO</td><td>30 October 2022</td></tr></table>Policy review register and action plan developed for 2022/2023</td><td>Yes</td></tr>
<tr><td>ICT Governance and Systems</td><td>Planned ICT governance action items not completed</td><td>Uptime target affected by budget constraints - could not procure new ICT equipment on desired ration of 1:3 employees as backup devices</td><td>Look at lease options to reduce CAPEX cost
ICT equipment included in 2022/23 approved budget
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>CFO</td><td>30 October 2022</td></tr></table></td><td>Yes</td></tr>
</table>

<table>
<tr>
<td></td>
<td>Nil expenditure incurred on section 32 items</td>
<td>Planned nil expenditure on fruitless, unauthorized , irregular expense items did not materialize</td>
<td>Budgetary control
Cashflow challenges, budget cuts, and late receipt of drawdown amounts in 2022/23
Lack of agency reserves to cover cashflow delays on grant tranches
SCM non-compliance</td>
<td>Disclosure in AFS and registers,
Investigation and treatment by AO in line with Section32 prescripts and guidelines before items are written off or recovered through consequence management
Consequence management policy to be developed for agency
Build reserves in 2022/23 from excess agency fees
Cost containment to assist in reducing spending so surplus can
<table>
<tr><th>Responsible:</th><th>Date:</th></tr>
<tr><td>CEO, CFO, SCM</td><td>30 June 2023</td></tr>
</table>
be retained</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Strategic HRM</td>
<td>The targeted 100% implementation of HRM action plan was not achieved
Delays in PMS review of staff</td>
<td>Lack of dedicated inhouse HR personnel/ designated HRM resource
Limited oversight as vacancy in critical position driving HRM strategy
HRRE sittings not sat during year as planned
Delays in staff performance reviews
Lack of co-ordination in collating scoresheets and POE
Delays in signing of performance contracts aligned to APP approval delays
Absence of key management personnel to drive performance reviews</td>
<td>Finalize organogram approval to enable dedicated HR personnel to drive key HRM processes and reduce reliance on single party who may be over-committed
HRM part of agency turnaround plan
HRM resource to be employed as priority position to reduce workload on current incumbent
Board calendar approved
Performance agreements to be signed before end of first quarter for 2022/23 as APP approved in advance
Align EXCO performance contracts to include unit performance reviews for accountability
<table>
<tr><th>Responsible:</th><th>Date:</th></tr>
<tr><td>CEO, CFO</td><td>31 December 2022</td></tr>
</table>
Ensure 2022 review finalized by end 12/2022</td>
<td>Yes</td>
</tr>
</table>

PROG 2: TO MOBILISE FUNDING AND FACILITATE INVESTMENT PROMOTION INTO THE DISTRICT BY 2025					
Objective	**Focus Area**	**Area of Non-Performance**	**Reason / Root Cause**	**Planned Remedial Action and Detailed Counter – Measures Going Forward**	**C/fwd. to 2022/2023**
Investment Promotion	Facilitate Investments into the District	The planned investment target of R27.5 million was not met	Lack of investment incentive packages to attract investors Poor infrastructure to attract investors into industrial park Limited skills to effectively package investment opportunities	Follow up on identified investors Investment summit to be held in first quarter of 2022/2023 An advisory committee of FINCOM/PROJDEV chairperson has been established to assist management with investment strategy and summit preparations. Engage appointed investment facilitator to assist with follow up on identified investment leads Prioritize organisational skills towards appointment of vacant Chief Investment Officer position in the short to medium term **Responsible:** CEO, EMO — **Date:** 30 September 2022	Yes
Market Linkages	Facilitate Market for Local Producers	The planned realization of R2.2 million facilitated in offtakes that benefit local enterprises	Delay in development of commercialization strategies Commitments received in offtakes not backed up in writing / contracts No designated agent to drive market linkages	Finalize appointment of corridor manager position to assist with marketing and market linkages for local co-operatives **Responsible:** CEO, EMO — **Date:** 30 September 2022	Yes

PROG 3: TO DEVELOP ECONOMICALLY VIABLE AND SUSTAINABLE RURAL CORRIDORS BY 2025					
Objective	**Focus Area**	**Area of Non-Performance**	**Reason / Root Cause**	**Planned Remedial Action and Detailed Counter – Measures Going Forward**	**C/fwd. to 2022/2023**
Corridor Specific Scarce Skills Development	Bursary Support	The targeted number of young people under bursary support programmes was not met	Intake processes need to be reviewed to improve student pass rate Limited skills / bursary budget	Raise funding for bursaries in critical skills areas Stricter intake on bursary and skills participants **Responsible:** EMO — **Date:** 31 December 2022	Yes

<table>
<tr>
<td>Job Creation</td>
<td>Job and Work Opportunity Facilitation for Locals</td>
<td>The targeted number of jobs were not achieved</td>
<td>Lack of commercial – level projects being implemented to allow for job creation
Poor record keeping by CHDA and project beneficiaries
Ineffective stakeholder engagement and IGR to allow effective job creation partnerships with private sector</td>
<td>Improve project implementation methodology to increase chances of project success to commercialization / high impact stage
Enforce job creation and recording aspects for partners, suppliers and beneficiaries/co-ops as a condition for doing business with CHDA
Incentives in place for local big business to increase local job creation and opportunities (Ind Park – etc.)
EPWP job logged and standard reporting item by all infrastructure contractors
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>PMU-INFRA, EMO</td><td>30 June 2023</td></tr></table></td>
<td>Yes</td>
</tr>
<tr>
<td>Technical Studies and Planning</td>
<td>Technical and Planning Documents to Assist LED</td>
<td>The planned number of technical planning documents was not achieved</td>
<td>No budgets set aside for formal studies
Lack of inhouse skills to conduct technical studies – reliance on third parties to conduct studies
Poor planning to allow for completion of feasibility and business plans on time</td>
<td>Partnerships to identify sector partners who focus on technical studies and research
Engage qualified third parties to assist with feasibility, business planning and concept development / packaging on identified cultural tourism initiative
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>CEO, EMO</td><td>31 December 2022</td></tr></table></td>
<td>Yes</td>
</tr>
<tr>
<td>Partnerships and Synergies</td>
<td>Partnerships on LED</td>
<td>The planned number of partnerships was not realized</td>
<td>Delays in identifying technical partner for ICT digital hub, due to Nat Treasury advert restrictions on Constitutional Court matter
Budget unavailability to provide planned input support from planned grain partnership, as funds diverted to support Shiloh initiative</td>
<td>Improve SCM planning and issue EOI by end of first quarter of 2022/2023
Investigate non-financial support mechanisms on partnerships as an alternative
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>EMO</td><td>31December2022</td></tr></table></td>
<td>Yes</td>
</tr>
<tr>
<td>Local Agro-processing Infrastructure Projects</td>
<td>Completion of LOGIC packhouse and refurbishment of fertilizer blending facilities</td>
<td>The planned number of deliverables not completed</td>
<td>Delays in DSBD funding affected the ability to complete the fertilizer blending refurbishment programme</td>
<td>Update existing partnership documents in line with funding approvals and revised implementation timeframes
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>CEO</td><td>31October2022</td></tr></table></td>
<td>Yes</td>
</tr>
</table>

PROG 4: TO SUPPORT IMPLEMENTATION OF ENABLING INFRASTRUCTURE PROJECTS IN THE DISTRICT BY 2025					
Objective	**Focus Area**	**Area of Non-Performance**	**Reason / Root Cause**	**Planned Remedial Action and Detailed Counter – Measures Going Forward**	**C/fwd. to 2022/2023**
n/a All targets achieved in programme					

Picture: Career Seminar

Summary Progress on Resolving Areas of Non-Performance – 2020-2021:

The key areas of non-performance carried forward from prior year have been tabled below, **and progress on remedial actions implemented this 2021-2022 period indicated (refer figure 4 below)**

- **In programme1, the challenges on performance from period ending 30 June 2021 have been carried forward into the first half of 2021-2022, and the following improvements made:**

1) Organogram approved but priority positions not yet filled due to budget challenges and high agency employee cost ratio. At 30 June 2022 the vacancy rate had increased from the previous financial reporting period due to exists in key management personnel, internship staff, management and administration personnel

2) Own revenue generation challenges have been partly resolved by 30 June 2022, with a notable increase in agency fee income from infrastructure implementation, as well as other principal-agent programmes implemented. Key challenges were the non-receipt of VAT refunds, as well as a decline in mechanization center operating revenue, which is attributable to the status of mechanization assets and fleet, reduced hectorage available for servicing, as well as high cost of operations in a time of budget cuts relating to irrigation schemes

3) The internal audit assignments were carried forward to the 30 June 2022 period, but there were still challenges with completion of the approved risk-abased internal audit plan. This is due to a limited budget, as well as adhoc assignments commissioned by the board during the year on emerging risk areas

- **In programme2, the challenges on performance from period ending 30 June 2021 have been carried forward into the first half of 2021-2022, and the following improvements made:**

4) UIF funding pending at end of prior year was confirmed in the first half of 2021-2022

5) An investor and communications strategy was developed and approved, and assisted in securing potential investors for the Chris Hani District

6) A summit was planned but deferred to the period of July 2022

- **In programme3, the challenges on performance from period ending 30 June 2021 have been carried forward into the first half of 2021-2022, and the following improvements made:**

7) CHDM critical infrastructure funding of R6million assisted in catching up on planned technical studies to assist with LED planning work

8) Limited funding to support mechanization operations continued in 2021-2022, and a result, the tariffs had to be revised to look at a less-subsidised tariff structure as well as investigation into the business model of the center. As a result the center is still not achieving break-even. These will receive more focus in 2022/2023

9) Alternate skills programmes were secured to assist youth in apprenticeship and bursary programmes. In addition, there was capacitation of small businesses in 2021/2022, as well as ongoing job-placement initiative through a CHDA funded internship programme

- **In programme4, the challenges on performance from period ending 30 June 2021 have been carried forward into the first half of 2021-2022, and the following improvements made:**

10) There were no items carried forward under this programme, but key internal control weaknesses were identified resulting in irregular expenditure from this programme in 2021/2022

Strategic Programmes	No Cfwd to 2021-2022	New Targets for 2021-2022	Due Dates	Achieved 100% of >	Part Achieved 75-99.99%	No Movement Since 30/6/2021	Challenges
PROG 1: TO DEVELOP A PROFICIENT, VIABLE AND SELF-SUSTAINABLE ENTITY BY 2025	3	0	31/12/2021	0	2	1	_organogram approval delays, with budget cuts affecting ability to implement organogram _own revenue generation challenges _internal audit plan delays due to adhoc assignments and budget limitations
PROG 2: TO MOBILISE FUNDING AND FACILITATE INVESTMENT PROMOTION INTO THE DISTRICT	2	0	30/06/2022	0	0	2	_delays in confirmation of fundraising by third parties _investors not secured due to challenges with investor summit and lack of investment strategy
PROG 3: TO DEVELOP ECONOMICALLY VIABLE AND SUSTAINABLE RURAL CORRIDORS BY 2025	4 6	0	31/12/2021 30/06/2022	0	0	10	_budget cuts ahave affected LED implementation across a number of areas, from technical studies and masterplan development _hectorage limits by DRDAR in the district have affected mechanisation ability and cut in funds have affected ability to support farmers with cropping programmes _skills programme implementation also affected by lack of funds and inability to recruit participants on bursary supprot and artisan programmes
PROG 4: TO SUPPORT IMPLEMENTATION OF ENABLING INFRASTRUCTURE PROJECTS IN THE DISTRICT BY 2025	0	1	30/06/2022	1	0	0	_agency tracking well on current infastructure implemntation on water projects - the movement has resulted in overspending by midyear and over-stating of income against budget due to movement on infrastructure contractor claims
	15	1		1	2	13	
	16			6%	13%	81%	

Figure 4 _ Prior Period Targets at Midyear _ 2021-2021

6. Performance by Key Contractors and Outsourced Services

The agency relies on external contractors and service providers to carry out its development mandate. The following key providers were utilized during the financial year, and performance as follows:

Supplier		Name		Credits / Expenditu	Services	Comments
CHD012		CHDM-INFRA-BUCHULE ENG	R10 million and above	R 57 905 190.97	Infrastructure contractor services / engineering	Satisfactory performance on contract, tracking well (various)
CHD011		CHDM-INFRA-SIYALIMA CIVILS		R 30 782 460.14	Infrastructure contractor services	Litigation matter and irregular expenditure on contract awarded Contract in process of termination by end June 2022 (Xonxa PLB07/20-21)
CHD003		CHDM-INFRA_BATABILE CONSTRUCTION SERVICES		R 27 006 075.97	Infrastructure contractor services	Satisfactory performance on contract, tracking well (Xolobe)
CHD010		CHDM-INFRA-BONTIFOR		R 23 058 098.49	Infrastructure contractor services	Satisfactory performance on contract, tracking well (Cluster2)
CDC001		CHRIS HANI CO-OP CENTER		R 20 483 051.23	LED – co-operative support and technical studies	Satisfactory performance on contract, tracking well (co-op support, technical studies)
CHD008		CHDM-INFRA_MAKHELENI		R 10 988 727.48	Infrastructure contractor services	Satisfactory performance on contract, tracking well (KWWTW)
CHD007		CHDM-INFRA_LIHLENATHI-LNP		R 10 224 401.13	Infrastructure contractor services	Satisfactory performance on contract, tracking well (Ngxogi)
CHD004		CHDM-INFRA_MALUTI GSM		R 10 037 596.37	Infrastructure contractor services / engineering	Satisfactory performance on contract, tracking well (various)

Supplier		Name		Credits / Expenditu	Services	Comments
CHD001		CHDM-INFRA_UHAMBISO CONSULT PTY LTD	R1 - 9.99 million	R 6 818 114.71	Infrastructure contractor services / engineering	Satisfactory performance on contract, tracking well (various)
CHD009		CHDM-INFRA_BBWATERS		R 3 556 565.91	Infrastructure contractor services	Satisfactory performance on contract, tracking well (KWTW)
DIC001		DICLA PROJECTS		R 2 915 581.84	LED - Livestock improvement / animal health services	Satisfactory performance on contract, on hold due to unpaid debt and litigation matter, with contract management issue relating to funding mobilisation target not realised
RIL001		RILAPAX (PTY) LTD		R 2 449 001.40	Admin + general expenditure – company secretariat	Satisfactory performance, legislated
CHD006		CHDM-INFRA_MASIYABU TRADING		R 2 043 468.78	Infrastructure contractor services	Satisfactory performance on contract, tracking well (various)
DIS002		EMPLOYER MEDICAL AID SCHEME		R 1 828 473.29	Employee costs	Satisfactory
SAN002		SANLAM PROVIDENT FUND		R 1 734 574.02	Employee costs	Satisfactory
AUD001		AUDITOR GENERAL SA		R 1 680 972.24	Audit fees	Satisfactory
CHD005		CHDM-INFRA_MASILAKHE CONSULTING		R 1 548 818.91	Infrastructure contractor services	Satisfactory performance on contract, tracking well (various)
CHD002		CHDM-INFRA_VOKON AFRIKA CONULTING		R 1 463 580.07	Infrastructure contractor services / engineering	Satisfactory performance on contract, tracking well (various)
SNG001		SIZWE NTSALUBA GOBODO		R 1 295 286.60	Audit fees	Satisfactory, delays in IA plan due to budget and adhoc assignmets
NGQ001		NGQUTURA TRANSPORT SERVICES		R 969 908.42	LED - Security services	Satisfactory
MAT001		MATTAM TRADING CC		R 959 369.09	LED - Diesel inputs mechanisation	Satisfactory but no longer serving on credit demands upfroont payment
TEL001		TELKOM		R 595 569.59	Admin - telephony	Satisfactory
LLS001		LL SECURITY		R 580 640.08	LED - Security services	Satisfactory

Supplier		Name		Credits / Expenditu	Services	Comments
REG001		REGUARD SOLUTIONS	>R200k - 999k	R 464 133.06	LED - Security services	Satisfactory
AMI001		AMILA SECURITY		R 412 392.80	LED - Security services	Satisfactory
TYE001		TYEKANA PROTECTION		R 316 867.07	LED - Security services	Satisfactory
NRG001		NRG OFFICE SOLUTIONS (PTY) LTD		R 303 515.21	Admin - copier lease	Satisfactory
EAS003		EAST CAPE TRAINING CENTRE		R 287 814.17	LED - training provider	Satisfactory
LWE001		LWETHUMA ENVIRONMENTAL CONSULTANTS		R 282 900.00	LED - consultant	Satisfactory performance, but challenges with Ncgeoscienes affected abulity to complete awarded works on mining study - contact to be terminated
ALT001		ALTRON TMT PTY LTD		R 280 594.30	Amin - licensing	Satisafctory
SAS001		AMAZONITE T/A SASOL QUEENSTOWN		R 264 122.84	LED - Diesel inputs mechanisation	Satisfactory but no longer serving on credit demands upfroont payment
WOR002		WORLD FOCUS 1818 CC		R 262 603.71	LED - Security services	Satisfactory
PEY001		PEYPER ATTORNEYS		R 246 150.20	Admin - legal fees	Satisfactory , assisting with ongoinglegal defence in Norland case
ENO001		ENOCH MGIJIMA LOCAL MUNICIPALITY		R 207 405.95	Admin- utilities	Satisfactory
SAG001		SAGE PASTEL		R 204 672.80	Admin - licensing	Satisafctory

Supplier		Name		Credits / Expenditu	Services	Comments
RES001		RESILIENT IT NETWORKS AND SERVERS	>R50k - R199k	R 173 464.85	Admin - IT support	Satisafctory
BUB001		BUBEDE MULTI- SERVICE		R 168 222.46	LED - Security services	Satisfactory
ADA001		ADAPT IT		R 165 439.00	Admin - licensing	Satisafctory
WIL001		WILLIAMS HUNT JDG TRADING		R 160 218.00	MV - R+M	Satisfactory
IBH002		IBHUBESI LIKA NONI SECURITY		R 150 503.55	LED - Security services	Satisfactory
MBA001		MBALA SECURITY AND CLEANING SERVICES		R 146 214.00	LED - Security services	Satisfactory
HIQ001		FASTFIT		R 123 904.95	MV - R+M	Satisfactory
MCC001		MCCORMIC AGRI CC		R 99 819.30	LED - tractor R+M	Satisafctory
BOA002		BORDER TRAINING CENTRE		R 96 829.24	LED - training provider	Satisfactory
ESK001		ESKOM		R 95 513.39	Admin - utilities	Satisfactory
RED001		RED GUARD SECURITY		R 94 506.42	Admin - access control/alarm	Satisfactory
LAN001		LANDINI EASTERN CAPE		R 87 657.10	LED - tractor R+M	Satisafctory
FIR001		FIRST TECHNOLOGY (PTY) LTD		R 81 733.43	Admin - licensing	Satisfactory
SHE001		SHEKINAH GLORY CONSULTANT PTY LTD		R 80 100.00	LED - inputs mechanisation	Satisfactory
SXO001		SXOSH ELECTRICAL ENGINEERS		R 76 972.00	LED - cabling	Satisafctory
COID01		DOL_COMPENSASTION FUND		R 58 696.72	Employee costs	Satisfactory - legislated
MFU001		MFURAA PROJECTS		R 55 945.50	LED - plant gire	Satisfactory
CLI001		CLICK'N TRAVEL		R 53 502.24	Admin	Satisfactory

Supplier		Name		Credits / Expenditu		Services	Comments
SSA001		SSALIWA TRADING AND PROJECTS	>R20k - R49k	R	48 264.00	LED - inputs mechanisation	Satisfactory
MAP001		MAPHOSA& ASSOCIATES		R	47 609.52	Admin - legal fees	Satisfactory - settlement of applicant legal cost
XOL001		XOLISWA TINI FACILITIES MANAGEMENT		R	45 292.19	LED - valuation rentals	Satisfactory
ING002		INGWE ENKULU LOGISTICS		R	42 431.76	LED - PPE	Satisfactory
4GC001		4GCO TRADING CC		R	40 000.00	LED - inputs mechanisation	Satisfactory
GLO001		GLOBAL PROSPECTUS		R	39 900.00	Admin - training	Satisfactory
SUP001		SUPERCLEAN		R	39 415.95	Admin - cleaning	Satisfactory
MOM001		MOMENTUM CONSULT		R	39 315.00	Admin - insurance	Satisfactory
IOD001		THE INSTITUTE OF DIRECTORS IN SA		R	37 650.00	Admin - training	Satisfactory
OPE001		OPENFORM COMMUNICATIONS		R	37 053.54	Admin - design, PR	Satisfactory
ATH001		ATHAYANDA GROUP		R	29 600.00	General	Satisfactory
THE003		THE ASSESSMENT TOOLBOX		R	27 906.80	Admin - HR services vetting	Satisfactory
WIL002		WILLARDS TRAVEL SERVICE PTY LTD		R	27 769.00	Admi - tarvel agent	Satisfactory
FAL002		FALA TOM GENERAL TRADING		R	23 000.00	General	Satisfactory
SIN001		SINESIMO TRADING		R	21 950.00	General	Satisfactory
SPE001		SPECTRA UPFRONT		R	20 695.50	Admin - stationery	Satisfactory

Supplier		Name		Credits / Expenditu		Services	Comments
JAC001		JACKSONS	R0 - R19k	R	17 531.77	Admin - MV R+M	Satisfactory
CHR001		CHRIS HANI DISTRICT MUNICIPALITY		R	15 807.62	Admin - utilities	Satisfactory
MLN001		MLN TECHNOLOGIES		R	15 070.00	General	Satisfactory
MCE001		MCE & MZI MEDIA PRODUCTION		R	14 500.00	LED - evebnts	Satisfactory
GAR002		GARDEN COURT (SOUTHERN SUN)		R	14 190.00	Admin - travel costs	Satisfactory
MUL002		MULTI CHOICE		R	13 950.00	Admin - subscriptions	Satisfactory
CAR001		CTRACK		R	13 076.65	Admin - subscriptions	Satisfactory
HAR001		HARVEY WORLD TRAVEL		R	12 589.43	Admin - travel costs	Satisfactory
ARE001		ARENA HOLDINGS		R	12 410.34	Admin - adverts / dispatch	Satisfactory
ROC001		ROCHE HOUSE CC		R	12 250.00	Admin - travel costs	Satisfactory
BEV001		BEVERLEY HILLS		R	11 200.00	Admin - travel costs	Satisfactory
NON001		NONESI LODGE		R	8 550.00	Admin - travel costs	Satisfactory
ACE002		AC & E		R	8 400.00	Admin - insurance	Satisfactory
MSC002		MSC EDUCATION HOLDINGS (PTY) LTD		R	7 920.00	LED - training provider	Satisfactory
BAL001		Balanced System projects		R	7 416.18	Admin - repairs office	Satisfactory
KEE001		KEEN'S OFFICE EQUIPMENT		R	7 400.00	Admin - stationery	Satisfactory
OYI001		OYINTANDA		R	7 000.00	General	Satisfactory
HEM001		Hemingw ays hotel		R	6 941.00	Admin - travel costs	Satisfactory
SHO002		SHORTEN MOTORS CC		R	6 624.00	LED - tractor R+M	Satisfactory
BAP001		BAPHIWE CONSTRUCTION & PROJECTS		R	5 944.50	General	Satisfactory
MCU001		MCUBUSE GENERAL TRADING		R	5 400.00	catering	Satisfactory
KEL001		KELSTON MOTORS - VW/FORD		R	5 392.73	Admin - MV R+M	Satisfactory
LIN001		LINA MANDLA TRADING AND PROJECT (PTY) LTD		R	4 999.00	General	Satisfactory
BTC001		PETER GAYLARD CC T/A BTC		R	4 709.94	Admin -stationery	Satisfactory
CRE002		CREATIVE THINKING		R	4 567.00	Admin - stationery	Satisfactory
DJF001		DJ FIRE PREVENTION		R	4 388.86	Admin - fire ext service/OHS	Satisfactory
SIL001		SILULO ULUTHO TECHNOLOGIES		R	3 600.00	General	Satisfactory
COU001		COURIERIT		R	2 710.99	Admin - courier/postage	Satisfactory
PRE001		PREMIER HOTEL ICC		R	1 595.00	Admin - travel costs	Satisfactory
BUS001		BUSA GUEST HOUSE		R	1 245.00	Admin - travel costs	Satisfactory

7. Concluding Remarks

The key areas of non-performance up to the end of June 2022 are due to areas within the CHDA's area of control, and outside of its control:

Non-Performance Issues Within Agency's Area of Direct Control	
1) Improvement in own fund-raising for programmes	Agency to consider: - Building internal skills associated with programme conceptualization, feasibility analysis, business planning and funding applications to help reduce reliance on handed-over projects, and non-receipt of promised funds. This will help build a solid project pipeline, as well as create project autonomy, and alternative sources of programme implementation funds - ***In 2021-2022, this was attempted through the technical studies focus in development of key planning documents to guide LED programmes (CHDM Critical Infrastructure Grant Funding and Expenditure)***
2) Investment in skills and capacity of implementing resources	Agency to invest more in: - Attracting and recruiting the right candidates with the right set of skills, which are needed for building distinct competencies and build organizational strengths - Training and development for implementation staff, to ensure that those who drive programmes are well-equipped with technical, financial and project-management capabilities - Addressing high vacancy rate in the organization, through priority HR recruitment and selection to ensure crucial vacancies are filled - Finalization of planned skills audit and salary benchmarking exercises as part of attraction and retention and business turnaround strategies - ***In 2021-2022 the agency closed with over a 25% vacancy rate, of which 2 of the positions were executive positions, some positions managerial positions in key business processes of HRM, Business Planning and Strategy, Legal and Compliance, which are evident from performance under programme 1***
3) Improvement in monitoring and evaluation processes	Agency to consider: - Allocating the responsibility of a strategic manager / performance officer or senior operations to a single individual on a full-time basis to ensure that programme and performance planning, monitoring and management of programme risks is managed daily and prioritized, so performance can be championed within the agency - Design improved methods of reporting by project implementers, linked to pre-approved key performance indicators on programmes. This function has to be driven and monitored by a key resource in the agency, so all reporting is not only reactive, but linked to solutions and counter-measures, and monitoring of high – importance / high – impact areas that could result in poor performance - Investment in advanced monitoring and evaluation training for those involved in project implementation

	- Investment in a monitoring and evaluation baseline study to identify benchmarks for performance planning, and performance review. This will help motivate a business case for the agency, and highlight key achievements against development mandate and predetermined objectives
4) Improvement in partner selection and evaluation, and contracts management	Agency needs to: - Create a formal method of selecting partners for development projects, so as to enter in meaningful MOU's and SLA's, given CHDA's disappointments from third parties in the past. - All partnerships must be based on distinctive competencies the agency does not have access to, so all partnerships are mutually beneficial, and reduce the likelihood of non-performance on both parties - A formal method of vetting partners, and monitoring their performance under the terms of the MOU are necessary, so un-beneficial partnerships are cancelled timeously to mitigate associate strategic risk from non-performance - A formal method of evaluating technical partners, and effective contracts management processes to ensure that contractual deliverables are met by partners and CHDA strategic objectives are met
5) Improvement in project Planning, Implementation Management, Reporting and Evaluation Processes	Agency needs to: - Develop a standard framework based on approved project management methodologies, such as PMBOK, on which to base project planning, implementation, reporting and monitoring processes - Key policy on project implementation to be developed, to assist with project implementation through a standardized set of guidelines. This will also assist with challenges on projects auditing
6) Improvement in disaster management and business continuity processes	- The Covid19 pandemic outbreak affected a number of activities, and had there been a comprehensive disaster management and business continuity strategy in place, negative impact on some performance targets and indicators could have been reduced or prevented. - The agency has to look into effective means of improving ICT capacity and infrastructure to allow for virtual means of stakeholder engagement, as well as allowing staff to work remotely
7) Improvement in risk identification, mitigation strategies and monitoring	- The agency needs to improve its internal risk dentification, evaluation processes, and have effective mechanisms for identifying, prioritizing areas of risk that can have a negative impact on performance. The risk mitigation strategies need to be implemented and action plan implementation closely monitored
8) Improvement in policy, governance and oversight frameworks	- The agency must look at oversight more closely in future to ensure all approved plans are monitored for progress , and key management held accountable for implementation of plans and resolutions - Policy framework review, to ensure a policy environment that support ethical business, high performance, financial management and oversight, as well as compliance

	- Consequence management policy framework to be in place to boost accountability - Effective scheduling of oversight committees and structures, so that reports are tabled, and performance against plans effectively monitored, with action plans and remedial plans closely monitored to ensure no regression on performance

Non-Performance Issues Outside of Agency's Area of Direct Control
1) Default on MOU terms by third parties, or non-performance by technical partners
2) Non-receipt of approved funding for programme implementation
3) Social issues requiring social facilitation intervention before any LED initiative can be implemented successfully

PART 8: ORGANISATIONAL OVERVIEW

Project: DEA Waste Buy-back Centers

General Information

Detail	
Registered name:	Chris Hani Development Agency SOC Ltd
Registration number:	2012/033437/30
Form of entity:	Municipal entity (state owned company)
Nature of business:	Carry out the promotion and implementation of the local economic development (LED) initiatives and investment promotion in Chris Hani District, through agriculture and agro - processing, SMME development, facilitation of investment promotion and job creation , sector – specific skills development and partnerships for leveraging of economic opportunities to facilitate development.
Registered office address:	15 Warner Street, Southbourne, Queenstown, 5320
Postal address:	15 Warner Street, Southbourne, Queenstown, 5320
Contact information:	Tel: 045 – 807 4000, Fax: 045 – 838 5944 Email: info@chda.org.za Website: www.chda.org.za
External auditors:	Auditor General South Africa (AGSA)
Internal auditors:	Sizwe Ntsaluba Gobodo – Grant Thornton Cube 2 Cedar Square, Bonza Bay Road, Beacon Bay, 5241 Tel: 043 – 721 1180 Fax: 043 – Website: www.sng.za.com
Company Secretary:	William Radcliffe Attorneys 2nd Floor, Block C, Edenburg Terraces, 348 Rivonia Boulevard, Johannesburg Tel: 081 046 1379 Email: jameson.matiza@williamradcliffe.co.za Website: www.williamradcliffe.co.za
Banker:	First National Bank of South Africa (FNB)

(b) Establishment and Legislative Mandates

The Chris Hani Development Agency (CHDA) is a State-Owned Company (SOC) Ltd established in 2012 by a Council resolution dated 27th March 2012 in terms of the Municipal Systems Amendment Act No. 44 of 2003, Companies Amendment Act, No 3 of 2011 and Municipal Finance Management Act, No. 56 of 2003.

(c) **Purpose and Strategic Mandate**

The primary purpose of establishing this entity was based on the Chris Hani District Municipality's integrated regional economic development strategy (CHREDS). At the centre of this strategy was a focus on the development of corridor multi-sector initiatives which would be supported by value chain addition programmes as a means of facilitating and achieving local economic development in the district.

It was thus envisaged that on establishment, the CHDA would be a self-sustainable entity tasked with co-ordination of regional economic development within the Chris Hani District Municipality, and from the year 2012 the primary focus of the Chris Hani Development Agency was to unlock the economic potential of the identified corridors within the Chris Hani District Municipality through partnerships and investments as well as to increase economic growth rates, as well as reduce poverty and unemployment. The corridors that were identified for development within the Chris Hani District were as follows:

1. **Sisulu Development Corridor** (running along the R61, linking Engcobo, Cofimvaba, Queenstown, Tarkastad and Cradock),
2. **Ndondo Development Corridor** (running along the R394, linking Elliot, Cala, Lady Frere, Queenstown) and the
3. **Calata Development Corridor** (running along the N10, linking Whittlesea, Queenstown, Molteno, Middleburg to Cradock).

After the CHDA was established, the focus of the agency was mainly directed towards the revitalisation of the 4 big irrigation schemes within the Chris Hani District Municipality, so that these irrigation schemes would produce and supply food to the District and the Eastern Cape Province at large. Other programmes were also implemented by the CHDA during this period, but some challenges were faced to the extent that a pivot from the approved development corridor approach mandate was experienced.

After careful consideration of the path taken by the CHDA over these past years, a review of the mandate to re-direct it to its initial purpose became necessary. As a result, on the 28th of August 2019, a Council Resolution was taken by the Chris Hani District Municipality for the mandate of the CHDA to be reviewed, as follows:

a) Mission, Vision and Value Statement

Vision:

To be an economic development catalyst for the Chris Hani District

Mission:

To unlock the economic potential of the district through investment facilitation for corridor development

b) Values and Guiding Principles

In achieving its vision, and carrying out its mission, the CHDA will subscribe to the following core values and guiding principles:

Value	Underlying Principle
Commitment	To all we do, and the communities which we serve
Honesty	In all our dealings, and all our interactions with stakeholders
Respect	For ourselves, our brand, our stakeholders, development partners and communities which we serve
Integrity	In all our actions, dealings and delivery of programmes and interventions
Sincerity	In all we do, with a genuine concern and desire to meet the needs of the communities which we serve
Humanity	In our understanding and empathy for the needs of our community
Accountability	In all that we do, to our shareholder, communities we serve, and the general public
Nurturing	For our communities and vulnerable groupings of society
Innovation	In constantly seeking to improve what we do, how we do it and how best we can deliver to the communities which we serve

e) Strategy and Strategic Focus

The mandate and the planned development outcomes informed the strategic direction of the agency over the last 5 years of operations, and these strategic programmes are aligned to the parent municipality's IDP objectives. These were secured in a Service Level Agreement (SLA) between the agency and the CHDM for the year 2019-2020 and have served the basis of structuring the agency's Annual Performance Plan (APP) for the year.

The strategic programmes for 2020-2021 were:

1) ***To develop a proficient, viable and self-sustainable entity by 2025***
2) ***To mobilise funding and facilitate investment promotion into the district by 2025***
3) ***To develop economically viable and sustainable rural corridors by 2025***
4) ***To support implementation of enabling infrastructure projects in the district by 2025***

f) Board, Leadership and Management

Corporate governance embodies processes and systems by which municipal entities are directed, controlled and held to account. In addition to legislative requirements based on the applicable enabling legislation, and the Companies Act, corporate governance with regard to the CHDA is applied through the prescripts of the Municipal Finance Management Act (MFMA) and run-in tandem with the principles contained in the updated King IV Report on Corporate Governance.

The Accounting Authority / Board of Directors

The Board of Directors (Board) of CHDA represents the organization's system of corporate governance and is ultimately responsible for the performance and affairs of the agency. ***Good governance is regarded as critical to the success of the CHDA, and the Board is unreservedly committed to applying the fundamental principles of good governance in every way. This involved ensuring transparency, integrity, accountability and responsibility in all dealings by, and on behalf, of the CHDA.***

The Board embraces the principles of good governance as set out in the King Code of Governance for South Africa 2009 and the King Code of Governance Principles (collectively known as King III) and seeks to comply in all applicable aspects to the MFMA, as well as national Treasury regulations, as amended.

The Board comprises 13 members, who were appointed by the Shareholder, the Chris Hani District Municipality (CHDM), who are all skilled in various disciplines, and stem from multiple background, thus bringing an eclectic and highly skilled mix of experience and required levels of technical expertise.

The Board Charter:

The CHDA Board Charter defines the governance parameters within which the Board exists, sets out specific responsibilities to be discharged by the Board collectively, as well as certain roles and responsibilities incumbent upon the directors as individuals. The Board Charter further serves to ensure that all members of the board, agency management and staff, and other stakeholders are aware of the duties and responsibilities of the Board, as well as the basis upon which it interacts with Management in order to give effect to its obligations to the shareholder.

The Board Charter sets out the board governance principles and parameters within which the board operates and constitutes an integral part of setting out the composition and meeting procedures for the Board.

Composition of the Board:

The Board is appointed by the shareholder, the Chris Hani District Municipality (CHDM), and comprises of 8 Non-Executive Directors. In determining the optimum composition of the Board, the shareholder sought to ensure that it collectively contains the skills, experience and mix of

personalities appropriate to the strategic direction of the CHDA as necessary to secure its sound performance.

The Board is led by an independent non-executive Chairperson who, inter alia, presides over meetings of the Board, and who is responsible for ensuring the integrity and effectiveness of the Board governance process. The role of the Chairperson is regarded as critical to good governance. In ensuring this role is fulfilled, the Chairperson relies on the technical expertise of the Company Secretary.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Executive Manager of Operations (EMO) are ex officio members of the Board.

Irrespective of a director's special expertise or knowledge all members of the Board recognise that they are collectively responsible to the shareholder for the performance of the CHDA. The board members during the 2021-2022 financial period were:

The directors of the entity during the year and to the date of this report are as follows:

Adv. A Mini (Board Chairperson)	South African	
Dr. N Khewu	South African	
Mr. A Hala	South African	
Mr. G Qotywa	South African	Resigned January 2022
Mr. L Mbokotho	South African	
Mr. P Songo	South African	
Mr. R Ramabulana (Deputy Board Chairperson)	South African	
Mr. S Ngqwala	South African	
Ms. B Zantsi	South African	
Ms. F Mushohwe	Zimbabwean	
Ms. V Matsiliza	South African	
Ms. Z Kiviet	South African	

The Board's role is to effectively represent, and promote the interests of, shareholders (CHDM) with a view to adding long-term value to the development impact outcomes of the CHDA and the community. The board of directors' key purpose therefore is to determine the organisational strategy, and consequently its performance, as well as ensure adequate levels of control, where it is ensured that Management actions strategic decisions effectively and according to the laws and applicable prescripts, and legitimate expectations of stakeholders.

During the year, the Board did all that was necessary to ensure that its role, as expressed in the Board Charter, was fulfilled:

1) ***The Board acted as the focal point for, and custodian of, corporate governance by managing its relationships with management and the shareholder.***

2) ***The Board appreciated that strategic risk, performance and sustainability are inseparable, and gave effect to this by:***

   - Contributing to and approving the corporate performance plan as aligned to the corporate strategy.
   - Satisfying it that the strategy and operational plans do not give risks that have not been thoroughly assessed by management.
   - Identifying key performance and risk areas and monitoring the agency's performance against agreed objectives (including the assessment of the evaluation of the performance of executive management in terms of defined objectives) ensuring that the strategy will result in sustainable outcomes.
   - Providing effective leadership based on an ethical foundation.
   - Ensuring that the agency's ethics are managed effectively.

- Retaining full and effective control over the agency, and monitoring Management's implementation of the strategic plans and financial objectives as defined by the Board.
- Defining levels of delegation of authority to Board sub-committees and management and continually monitoring the exercise of delegated powers.
- Ensuring that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of the agency and its business.
- Ensuring compliance by the agency with all relevant laws and regulations, audit and accounting principles, the approved code of conduct, and such other principles as may have been established by the Board from time to time.
- Ensuring that the agency has an effective and independent Audit and Risk Committee and that there is an effective risk-based system of internal audit.
- Being responsible for information Communication Technology (ICT) governance.
- Being responsible for the governance of risk and regularly reviewing and evaluating the risks to the agency and ensuring the existence of comprehensive, appropriate internal controls to mitigate against such risks.
- Acting in the best interests of the agency by ensuring that individual directors: adhere to legal standards of conduct.
- Are permitted to take independent advice in connection with their duties following an agreed procedure.
- Disclose real or perceived conflicts to the Board and dealing with them accordingly.
- Exercising objective judgement on the business affairs of the agency, independent from management but with sufficient management information to enable a proper and informed
- Ensuring that the agency is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the agency but also the impact that the business operations have on the environment and the society within which it operates.
- Identifying and monitoring non-financial aspects relevant to the business of the agency
- Ensuring the integrity of the agency's Annual Report.
- Evaluating the performance of the Chief Executive Officer.
- Together with the CEO evaluating the performance of the Board Secretary; and
- Reviewing and evaluating the adequacy of the Board Charter.
- In terms of the Board's oversight function, the Board Chairperson and the Chief Executive Officer held bilateral meetings at least once each month.

Board Sub-Committees

The effectiveness of the Board is assured by the work of five (5) duly appointed sub-committees, which assist the Board with its performance of tasks in order to comply with the principles of good governance and ensure adequate levels of oversight over key CHDA operations.

1) GOVERNANCE COMMITTEE

The Governance committee is an independent advisory committee of the Board and is established to assist CHDA board to manage governance and compliance affairs of the agency. The committee therefore supports the board in implementing its oversight responsibility by being made up of all sub-committee chairpersons and the Board chairperson.

2) AUDIT, RISK AND ETHICS COMMITTEE

The audit, risk and ethics (ARE) committee is an independent advisory committee of the Board and is established to assist CHDA board to manage risk and financial affairs of the agency. The committee therefore supports the board in implementing its oversight responsibility by overseeing and reporting to the board on:

- The quality and integrity of the agency's Annual Financial Statements and Performance Report
    - Compliance with regulatory, legal and tax requirements
    - Implementation of accounting policies Overall risk management
    - Independent auditors' opinions and measures for improvement, and
    - The performance of the internal audit function and systems of internal control

The committee convenes on a quarterly basis as required. The committee performed well and conducted all the necessary reviews and approvals for the year under review.

3) HR, REMUNERATION and ETHICS COMMITTEE

The HR and Remuneration committee (HRR) assists the board in fulfilling its obligations and oversight responsibility for human resources strategies. To this end the committee advises the board on:

- Ensuring the agency has an effective organizational structure and competitive human resource and compensation policies and practices
- Ensuring appropriate processes are in place for selection, evaluation, compensation and succession of senior management
- Oversight of the implementation of the agency's performance management system, and
- General administration issues as they affect all staff

The committee convenes on a quarterly basis as required. The committee performed well and conducted all the necessary reviews and approvals for the year under review.

4) FINANCE AND INVESTMENT COMMITTEE

The FI committee was established to assist the board in giving effect to the obligations of the CHDA in terms of the mandate and service level agreement (SLA) as entered into with the CHDM, or shareholder.

The key deliverable is to promote sound financial management, investment and revenue generation in support of agency mandate.

The committee convenes on a quarterly basis as required. The committee performed well and conducted all the necessary reviews and approvals for the year under review.

5) PROJECT and DEVELOPMENT COMMITTEE

The PROJDEV committee was established to assist the board in giving effect to the obligations of the CHDA in terms of the mandate and service level agreement (SLA) as entered into with the CHDM, or shareholder.

The key deliverable is to promote service delivery and programming performance in line with the strategy of the CHDA, as aligned to the SDBIP and IDP of the CHDM. The committee serves to assist the board in identifying high impact strategic programmes, as well as the programming performance of the agency in meeting in strategic objectives.

The committee convenes on a quarterly basis as required. The committee performed well and conducted all the necessary reviews and approvals for the year under review

Board Remuneration

The composition of the Board reflects a variety of skills and experience that are required to govern the CHDA and provides the much-needed strategic direction to take the entity to the next level. Amongst these skills are: Accounting, Auditing and Municipal and Development Finance, Strategy, Human Resources Management, Agricultural Economics, Economic Development, Performance Management and Risk Management,

Some of the members have to take time from their own private practices and full – time employment in key positions, in order to support the agency, and this comes at a cost that cannot easily be matched at times. Failure to recognise this fact through narrowing the gap between revenue streams might compromise the quality of Board members that the CHDA is capable of attracting. The Board thus comprises of highly committed members who are capable of engaging meaningfully with the activities of the agency at a strategic level and provide the necessary guidance to management.

Remuneration made to Board members during the period 2021-2022 is as follows:

2022

	Directors' fees	Committees fees	Total
Adv. A Mini (Board Chairperson)	175,000	-	175,000
Dr. N Khewu	35,000	-	35,000
Mr. A Hala	255,455	-	255,455
Mr. G Qotywa	60,000	-	60,000
Mr. L Mbolkotho	136,000	-	136,000
Mr. M Sigabi	-	-	-
Mr. P Songo	26,000	-	26,000
Mr. R Ramabulana (Deputy Board Chairperson)	221,000	-	221,000
Mr. S Ngqwala	35,000	-	35,000
Ms. B Zantsi	40,000	-	40,000
Ms. F Mushohwe	76,000	-	76,000
Ms. V Matsiliza	50,000	-	50,000
Ms. Z Kivlet	157,000	-	157,000
Ms. A Kretzmann	-	25,000	25,000
Mr. MK Mafani	-	44,000	44,000
Mr. G Rich	-	60,000	60,000
Mr. AM Langa	-	148,000	148,000
	1,266,455	**277,000**	**1,543,455**

Table 1: Schedule of Directors Fees _ 2021-2022

Board Evaluation and Performance

Although individual board members are appointed on a 3-year term, performance evaluations of the board as a whole and of individual members are conducted on an annual basis.

The Chairman of the Board appraises the shareholder on the performance of the Board and its individual members annually, and the efforts of the Board are reviewed as a whole by the shareholder. No performance reviews were conducted for 2021.

Board Training and Development

During the year under review, there was two training session held on IT Governance and Ethics, buy the IODSA.

Executive Management

During the year 2021-2022, the CHDA was managed by the 3 executive members:

Zolile Duze	**-**	**Chief Executive Officer (resigned end April 2022)**
Andrew Hlubi	**-**	**Chief Financial Officer (terminated end May 2022)**
Nomveliso Nyukwana	**-**	**Executive Manager Operations**

Left to right: Mr Andrew Hlubi (Chief Finance Officer), Mr Zolile Duze (Chief Executive Officer), Mrs Nomveliso Nyukwana (Executive Manager Operations)

Zolile Duze - Chief Executive Officer

Mr Duze is currently employed as the Executive Manager Operations (EMO) at the Chris Hani Development Agency, after a few years as General Manager at GFADA. He is an Agribusiness Practitioner with 13 + years' experience in developing small scale farmers through market linkages, capacity building and skills development to commercialize their farming operations.

He participated in the land reform programme restructuring and support in the Free State, KwaZulu Natal and Limpopo Provinces, through resource mobilization from Public and Private Sector partners. He has served as a Ministerial Trustee in the Sorghum Trust National Agricultural Marketing Council, Essential Oils Incubator Programme, South African Grain Information Services (SAGIS) and the Transformation Committee for Winter Cereal Trust.

He holds an Honours Degree in Agricultural Extension and Rural Development from Tshwane University of Technology, an Advanced Management Programme (MAP) from Wits Business School, National Diploma in Farm Management from Fort Cox College of Agriculture and Forestry, and a CPMD from Wits Business School.

Andrew Hlubi - Chief Financial Officer

Andrew is the Chief Financial Officer (CFO) at the Chris Hani Development Agency, appointed 1 July 2020, and he has over 15 years' experience in municipal finance. Previous positions before joining CHDA include: Municipal Manager at Mafube Local Municipality, and Chief Finance Officer appointments for NAFCOC and USASSA.

Andrew has a bachelor's degree in Accounting from the University of the Orange Free State, a certification in Municipal Finance and Management (CPMD) and the Management Advancement Programme (MAP) certificate by Wits University.

Nomveliso Nyukwana - Executive Manager Operations

Nomveliso is the programme and head of operations (EMO) at the Chris Hani Development Agency, appointed 1 July 2020, after serving as the agency's Project Manager: Special Projects since April 2019. Nomveliso has over 10 years' experience in the field of education, with municipal and local government experience from 2006 to date.

Previous positions before joining CHDA include PR Councillor and Mayor for Emalahleni Local Municpality, with a vast number of years as senior education specialist for the EC Department of Education.

Nomveliso has a master's degree in Public Management from the University of Fort Hare, with postgraduate certification in Education from the University of Port Elizabeth.

During the last quarter of 2021-2022, two senior positions were occupied by acting resources:

Mr Abongile Hala resumed acting as Chief Executive Officer as an appointed member of the CHDA Board of Directors, and Ms Flicker Tiso commenced acting as Chief Finance Officer.

Executive Remuneration

Remuneration made to Exco members during the period 2021-2022 is as follows:

Remuneration of Chief Executive Officer

Annual Remuneration including social contribution	1,474,286	1,783,321
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	105,514	128,058
	1,579,800	**1,911,379**

*"The position of Chief Executive Officer (CEO) became vacant on 1 April 2022. CHDA Board approved secondment of a board member to act in position of Chief Executive Officer during the period under review. The resulting remuneration from the acting has been disclosed under board fees / director's emoluments."

Remuneration of Chief Finance Officer

Annual Remuneration including social contribution	1,094,091	1,137,656
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	118,151	120,108
	1,212,242	**1,257,764**

***"The position of Chief Finance Officer (CFO) became vacant on 1 June 2022, resulting from internal disciplinary processes. An acting incumbent was appointed in the period 19 September 2021 to 30 June 2022, and the acting allowance has been disclosed under employee costs."

Remuneration of Executive Manager Operations

Annual Remuneration including social contribution	1,137,656	1,137,656
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	98,409	89,625
	1,236,065	**1,227,281**

Table 2: Schedule of Executive Director Earnings – 2022

The plan comprised of 20 deliverables for the year across the 7 key areas above, and the plan was tracking well at the end of June2019:

75% (15/20) items in the HRM plan due by the end of quarter 4 were completed

15% (3/20) items in the HRM plan were in progress / partially completed, and

13% (2/20) items showed no movement.

The items not finalised will be carried over to the HRM plan for 2019-2020.

Corporate Services and Administration

The CHDA considers its staff to be an important recourse in its being able to deliver on its mandate. As such, efforts have been made in the 2017-18 financial period to create a better environment for staff, allowing them to be more productive, and better capacitated. The agency does not have a stand-alone Human Resources unit, or line function. The function therefore sits with the Office of the CFO, as a support function, given the size of the organisation, and number of its employees. The HR function is managed on a day-to-day basis by the Finance and Administration Manager.

Human Resources Management Plan

The agency developed its HR plan for 2020-2021 in the first quarter, as a basis of carrying out the HRM function for the year. The plan covered:

1. Organogram: Alignment of the HRM function to strategy (organisational structure / form must support purpose)

2. Implementation of the organogram to support strategic objectives (termination and appointments)

3. Leadership over HRM administrative functions (payroll, statutory returns)

4. Compliance with HR legislation (policies, equity, risk management)

5. Staff training and development

6. Staff performance management, and

7. Staff wellness and employee satisfaction

5. Staff training and development

6. Staff performance management, and

7. Staff wellness and employee satisfaction

The plan was not completed or fully actioned, due to budget challenges and other operational matters, resulting in a below 100% completion by end June 2022. Key challenges were the finalization of the organogram and critical staffing of priority positions, as well as delays in review of HRM policies, which will be carried forward to the next financial year.

Employee Remuneration and Benefits:

In an attempt to attract and retain talented employees, the Board approved the implementation of the TASK grading system in the remuneration of employees from September 2015. The TASK system was implemented, but reserved for formally employed employees, and excludes interns and contract positions, whose remuneration is aligned to the parent municipality.

The structuring of the TASK system to remunerate employees was aligned to the Provident Fund and Medical Aid benefit systems, which were implemented from April 2015, with employee cost-to-company packages being restructured to incorporate basic, travel and cell-phone allowances where applicable, and contributions to a 13th cheque.

The total of 100% budgeted for staff budget was expended, and allocation of employee costs for 2021-2022 can be summarised as follows, where the closing balances of R21.3 million exceeded the R19 million expenditure incurred in previous financial year. As a result, employee costs were one of the key cost drivers of the agency in the year under review.

Figures in Rand	2022	2021
19. Employee related costs		
Salaries and wages-CTC	17,536,207	18,191,075
Medical aid - company contributions	885,021	809,537
Statutory UIF levies	82,965	81,826
WCA	47,520	13,820
SDL	218,878	76,809
Leave pay provision charge	320,630	847,837
Defined contribution plans	1,279,118	1,320,018
	20,370,339	**21,340,922**

The summary indicates that employee costs still remain the highest cost driver of the agency's operational budget. Plans are in place to conduct a job evaluation and salary re-grading project in 2022-2023.

Employee Health and Wellness:

The CHDA also implemented a shared services agreement with the CHDM on employee wellness. This included a wellness day expo for staff held in November 2020, where the CHDM supported the agency with stalls on various health topics, ranging from marriage and family, HIV-Aids and Sex-Education, through to Substance Abuse, Grief Counselling and Stress Management, over and above social work and counselling service for employees.

During the year under review, the agency did not encounter challenges from employee sick leave balances being depleted, or overused, due to illness, work – related stress, or abuse of sick leave.

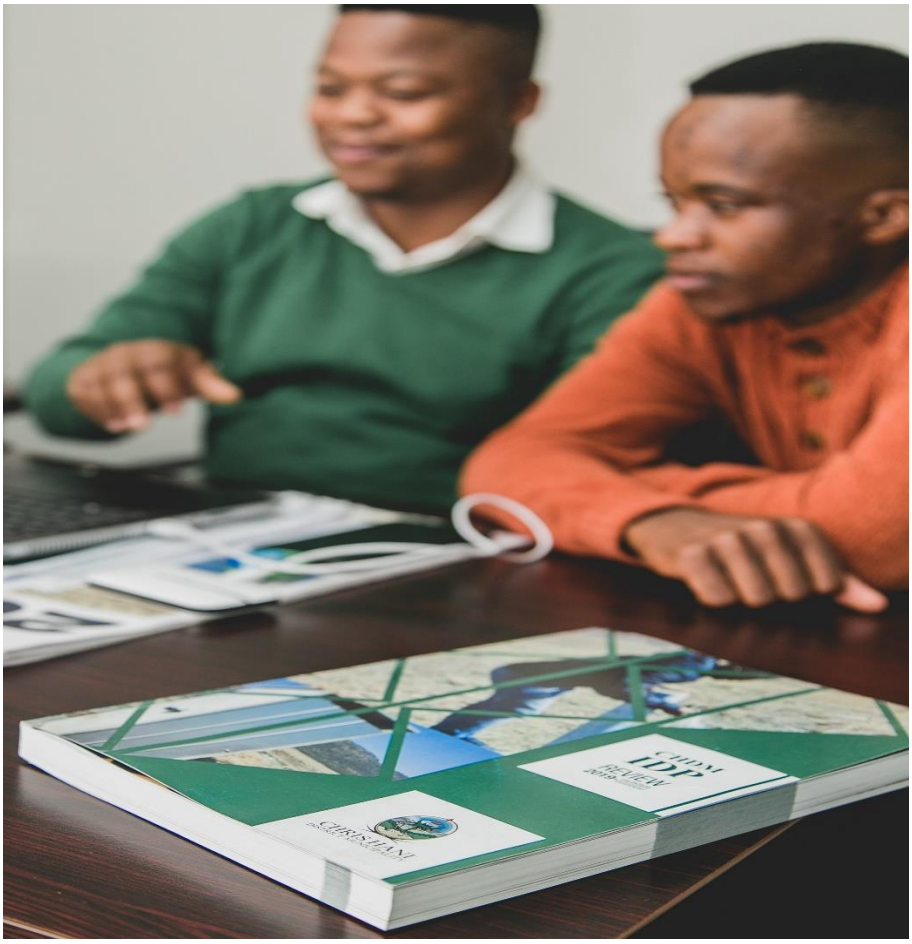
Grievances and Disciplinary Procedures:

The agency has a grievance and disciplinary policy in place. There were no grievances lodged with management during the period under review.

The agency commenced disciplinary action against two employees involved in non-compliance to agency code of conduct. The agency commenced establishment of an employee representative forum, as well as an employee satisfaction survey, to help improve HR related issues in the organization going forward

Organogram:

The agency conducted a review on its organogram. The Agency closed with a 32% vacancy rate at end June 2022 due to delays in filling of key priority positions, as well as exits in the key management personnel of the agency.



Supply Chain Management

During the year under review, the CHDA experienced challenges on internal control weakness on Supply Chain Management activities, which resulted in irregular expenditure. There was a sizable expenditure of over R30million on infrastructure implementation expenditure, which led to the audit opinion with the AGSA. This item is being processed internally and with applicable stakeholders in line with Section32 provisions of the MFMA and are being monitored as part of the agency Post-Audit Action plan.

ICT Governance

Governance Methodology and Focus

The CHDA has embarked on its third year of ICT governance in 2021-2022, in line with the establishment of an ICT Steering Committee in 2017-2018. On an annual basis, the committee develops an ICT plan for implementation of ICT activities during the year. Effective ICT governance is the process of identifying significant risks to the achievement of the organisation strategic and

operational objectives and ensuring that the ICT function in the organisation supports the realisation of strategic objectives, as ICT is a business enabler. Key aspects of effective leadership over ICT include:

- ICT governance and compliance with applicable legislation, ICT security management, ICT user account management, ICT system change management, ICT service continuity and disaster management and recovery, ICT infrastructure and physical and environmental controls

The ICT governance is based on best practice and aligned to:

1) **Corporate Governance of ICT Policy Framework (CGICTPF)**

The Department of Public Service and Administration's (DPSA) Corporate Governance of ICT Policy Framework (CGICTPF) as adopted by the South African Cabinet on 21 November 2012. The Framework requires departments to implement the corporate governance of ICT (CGICT) and Governance of ICT (GICT) as an integral part of its corporate governance arrangements by March 2015. This requires that organisations:

- *define, establish and align the IT Governance framework with the overall enterprise governance and control environment (Strategic Alignment, Value Delivery, Resource Management, Risk Management, and Performance Measurement)*
- *base the framework on a suitable IT process and control model and provide for unambiguous accountability and practices to avoid a breakdown in internal control and oversight*
- *confirm that the IT Governance framework ensures compliance with laws and regulations and is aligned with, and confirms delivery of the enterprise's strategies and objectives, and report on IT Governance status and issues*

2) **King Code of Good Governance**

King 3 & 4 paragraph 5 of principle 5.1 IT Governance state that "The board should understand the strategic importance of IT, assume responsibility for the governance of IT and place it on the board agenda. IT governance is on the Board agenda and is discussed at every Board meeting". *This is best done by making sure that the board operates with IT governance in mind:*

- *ensuring IT is on the board agenda.*
- *challenging the management's activities with regard to IT, to make sure IT issues are uncovered.*
- *guiding the management by helping it to align IT initiatives with real business needs and ensuring that it appreciates the potential effect on the business of IT-related risks.*
- *establishing an IT strategy committee with responsibility for communicating IT issues between the board and the management; and*
- *Insisting that there be a management framework for IT governance based on a common approach, for example, COBIT.*

Implementation of Approved ICT Strategy

The annual ICT plan is based on an ICT risk assessment conducted at the start of the year. Clear action plans are developed covering each ICT focus area, and these are tracked on a monthly and quarterly basis, resulting in an overall 100% implementation of the ICT plan for 2021-2022. There were no major ICT projects implemented during the year.

PART 9: ANNUAL FINANCIAL STATEMENTS

Picture: Infrastructure Implementation Support on Water Projects

The financial statements of the agency have been integrated with the municipality's financial statements and have been attached as volume II of the report

Appendices

Appendix A Councillors; Committee Allocation and Council Attendance

NO	NAME	MEETINGS	ATTENDED	NOT ATTENDED	PERF
1.	CLLR J. CENGANI	11	11		100%
2.	CLLR W. GELA	11	11		100%
3.	CLLR N. MACINGWANE	11	11		100%
4.	CLLR N. N. SEPTEMBER-CABA	11	9	2	82%
5.	CLLR S. MBOTSHANE	11	9	2	82%
6.	CLLR S. NXOZI	11	11		100%
7.	CLLR T.W BIKWANA	11	9	2	82%
8.	CLLR T. E. BOBO	11	11		100%
9.	CLLR S. LALI	11	11		100%
10.	CLLR B. NOBUNTU	11	10	1	91%
11.	CLLR A.N HENDRICKS	11	10	1	91%
12.	CLLR P. MAKHAPELA	11	10	1	91%
13.	CLLR A. ALEXANDER	11	11		100%
14.	CLLR F. M MTHANDEKI	11	8	3	73%
15.	CLLR R.W VENSKE	11	10	1	91%
16.	CLLR X. KANI	11	6	5	55%
17.	CLLR H.S NOBONGOZA	11	9	2	82%
18.	CLLR M. DESHA	11	10	1	91%
19.	CLLR N. BIKO	11	11		100%
20.	CLLR S. MTIMKULU	11	8	3	73%
21.	CLLR N.S DUMATA	11	9	2	82%
22.	CLLR N. T MGQAMQHO	11	6	5	55%
23.	CLLR M. YAMILE	11	7	4	64%
24.	CLLR S.C MARATANA	11	9	2	82%
25.	CLLR M.S LIMBA	11	9	2	82%
26.	CLLR U.S MZANDISI	11	5	6	45%
27.	CLLR M.P OYIYA	11	10	1	91%
28.	CLLR S. MENDELA	11	10	1	91%
29.	CLLR Z.O SIMAWO	11	11		100%
30.	CLLR N. NOFOMBO	11	11		100%
31.	CLLR. N CETMAN	11	8	3	73%
32.	CLLR N. STOFILE	11	10	1	91%
33.	CLLR V. FILANA	11	9	2	82%
34.	CLLR S.N NDLEBE	11	10	1	91%
35.	CLLR Z. N. E. RALANE	11	11		100%
36.	CLLR M. MANGCOTYWA	11	10	1	91%
37.	CLLR N.F PAPIYANA	11	11		100%
38.	CLLR S.E MVANA	11	11		100%
39.	CLLR S MKHUNQE	11	8	3	73%
40.	CLLR A. NGONYAMA	11	3	8	27%
41.	CLLR K.L CLARK	11	7	4	64%

Appendix B - Committee and Committee Purpose

Committees (other than Mayoral / Executive Committee) and Purposes of Committees		
Municipal Committees	Purpose of Committee	
Municipal Public Accounts Committee	Oversight of municipal accounts	
Rules and Ethics Committee	To establish rules for Council and Committees	
Audit Committee	Oversight of financial reporting and disclosures	
Women's Caucus	The voice of women to advocate for gender equality and equity and seeks to ensure women representation in strategic position to achieve 50/50	
Performance Audit committee	Oversees performance of the municipality in achieving the KPAs	
Fraud and Risk committee	Prevention and mitigation of risk	
Whippery	Oversees political party council relations and cooperation	

Appendix C - Third Tier Administrative structure

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Strategic Manager	Dr. B Mthembu
Engineering Services	Mr L Govu
Health and Community Services	Ms N Mnyengeza
Chief Financial Officer	Mr C Mapeyi
Corporate Services	Ms Y Dakuse
IPED	Mr Z Duze
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	

Appendix D - Functions of Municipality/Entity

Appendix G - Recommendations of the Municipal Audit Committee

Chris Hani District Municipality – AUDIT COMMITTEE ANNUAL REPORT FOR THE 2021/2022 FINANCIAL YEAR

1. LEGISLATIVE REQUIREMENTS

The Audit and Performance Committee (hereinafter referred to as the "Audit Committee") is pleased to present its annual report for the year ended 30 June 2022. The purpose of this report is to communicate the Audit Committee's progress to date in carrying out its oversight and advisory responsibilities in terms of Section 166 of the Local Government Municipal Finance Management Act, Act 56 of 2003 read with Regulation 14 of the Planning and Performance Management regulations, 2001.

The District Municipality appointed an Audit Committee comprising of five members and has a vacancy of one member. The Council appointed Mr A M Langa as Interim Chairperson. The Committee continued to perform its duties as outlined in its reviewed Audit Charter for the year under review.

The Committee considered fraud, risk and internal controls as an objective of internal control activities with fraud perceived to be a potential internal control failure. The Audit Committee fulfilled its mandate and provided advisory services to the Council, the political Office Bearers, the Accounting Officer and Management on matters relating to the Internal Audit function, effectiveness of the systems of Internal Controls, ICT Governance, Risk Management processes and Performance Management Systems.

The functioning of the Audit Committee is governed by the Audit Committee's Charter approved by the Municipal Council at the beginning of the Financial year.

2. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

During the year under review the Committee held meetings as per their approved schedule and the attendance by each member is as follows:

Name of Member	Skills and Experience	Designation	Number of Meetings Attended.
A M Langa	Masters' candidate enrolled for a Masters Degree in Public Admin with UNISA and enrolled for an MBA with Regent University, BCom (Municipal Accounting) and BCom Honours. Sits on various audit, risk and performance committee with 39 years of professional experience.	Interim Chairperson, Chairperson Performance Audit Committee	6
G Rich	MBA BTech and National Diploma. Currently enrolled for a DBA with	Member	6

	Nelson Mandela University, previously chair of audit committee for EC Dept of Human Settlements and currently chair of audit committee for EC DSRAC 27 with years experience in the public and private sector.		
K Mafani	BCom (Risk Management and Strategy Formulation & Implementation) Technical Programme in Risk Management, Diploma in Project Management. Combined 14 years of experience in Risk Management, internal controls, ethics management and ant-fraud, experience of 5 years in the banking and insurance environment. Served on a number of oversight structures for the past 6 years mostly in Local Government	Member	4
Ms A Kretzmann	CA(SA) – Chartered Accountant, Bachelor of Accounting Science (Honours), sits on various governance structures in education and local government with 22 years of professional experience in both private and public practice	Member	5

A total of four ordinary meetings were held and the meetings duly formed a quorum with the majority of members in attendance. As and when necessary, the Committee convened Special Meetings to deal with certain specific matters. The Audit Committee was able to meet as required by legislation and further none of its scheduled meetings was rescheduled due to unavailability of members. The commitment of the Audit Committee members is highly appreciated. The Audit Committee through its Chairperson managed to submit on a quarterly basis its reports to the Municipal Council. All its reports were adopted by the Council and the implementation of the resolutions is monitored through a resolution tracker.

The Audit Committee has as its standing items in its meetings a progress report on the implementation of the Post Audit Action Plan for addressing the 2020/2021 financial year audit findings. The Committee noted that although management put effort to implement the action plan not all agreed actions were undertaken due to a number of reasons. The Committee noted with appreciation some of the implemented actions contributed to the improved audit outcome.

3. EVALUATION OF FINANCIAL AND PERFORMANCE REPORTS

Statutory quarterly reporting requirements per MFMA provisions to oversight committees, Council and treasury were performed by management. Quarterly

reviews and Audit Committee reports, presentations to council were conducted with recommendations on remedial actions to be taken on reported internal control deficiencies identified through internal and external audit findings.

The Audit Committee continually identified and advised Management and Council on financial management and performance reports, non-compliance issues with SCM policies, budget performance trends, progress reports on risk management and fraud, ICT Governance reports and MSCOA implementation. The Committee continued to monitor the implementation of the cascading of PMS to lower levels of staff during the year under review and raised concerns on the slow implementation of the plan.

The Municipality successfully implemented MSCOA and is currently transacting on the new system although a few modules are yet to be implemented. The Committee noted with concern that the Municipality still depends on the system vendor for support which sometimes poses challenges.

The Committee noted during the financial year the continued high dependence by the Municipality on grant funding as it is not generating sufficient own revenue to sustain itself. Although the Municipality has put a number of revenue raising strategies to improve the situation such has not yet yielded any positive results.

Internal Audit continues to be a vital element of quality assurance in the performance management environment by giving the Committee reports/assurance on performance information submitted. The submission of portfolio of evidence by Management remains a challenge and should be addressed urgently in order to improve audit outcomes and verify management actions.

4. RISK MANAGEMENT

Effective Risk management forms an integral part of the institution's objectives of implementing and maintaining overall risk identification and mitigation of these risks. This provides a basis for integrated risk management and internal controls as components of good corporate governance. The Municipality maintained a separate risk management Committee chaired by an Independent Chairperson. The Chairperson of the Risk Management Committee has a standing invitation to the Audit Committee and submits quarterly reports to the Audit Committee.

During the year under review the Risk Management Committee was functional and submitted its reports to the Audit Committee with recommendations. These recommendations were in turn were submitted to the Municipal Council. The three-year Internal Audit plan is based on the municipal risk assessment.

Quarterly risk management reports were reviewed and considered by the Audit Committee from the Risk Management Committee and such were reviewed by the Committee.

5. EFFECTIVENESS OF INTERNAL CONTROLS

The Committee provided oversight on the financial reporting processes and existing internal control systems within the Municipality and concluded that the municipality maintains a system of internal controls designed to provide assurance that transactions are processed and concluded with management's authority; assets are safeguarded against unauthorised use or disposal with proper recording and authorisation of transactions. The challenge identified is the lack of enforcement by Management of the internal controls timeously.

During the year under review, reviews were conducted by oversight bodies which identified instances where the effectiveness of internal controls were compromised though systems are in existence based on repeated and new audit findings on internal control system deficiencies were identified. The Audit Committee takes cognisance of the fact that there are inherent limitations in the effectiveness of any system of internal controls attributed to human errors and circumvention of internal controls.

Remedial actions taken to address control deficiencies identified in the quarterly reports of internal audit and external audit findings were found inadequate and ineffective as depicted by the control dashboard. The slowness in implementing remedial actions continue to result in repeat findings by Internal Audit and the Auditor General which ultimately resulted in non-improvement in the audit outcome.

6. INTERNAL AUDIT UNIT

The Municipality has an internal audit unit headed by the Chief Audit Executive and reports to the Audit Committee and administratively directly to the Accounting Officer. The unit operates based on a risk based internal audit plan approved by the Audit Committee. The Committee further approved the internal audit charter for the year under review. Further the Committee approved the three - year rolling internal audit plan for the unit.

The projects undertaken by the internal audit unit for the year under review are as follows:

- Review of the Annual Financial Statements and Annual Performance Report;
- Audit of Performance Measures for all the quarters;

- Follow-up audits on previously reported deficiencies Q1, Q2, Q3 & Q4 2021/2022 Financial Year;
- Risk Management Audit Q2 2021/2022 Financial Year;
- Water losses Audit Q2;
- Audit of Performance Measures Mid-Year 2021/2022 Financial year;
- Dashboard Report;
- Loss Control audit;
- Budget Management Audit Q3 2021/2022 Financial Year;
- Asset Management Audit Q4 2021/2022 financial year.

The Committee developed a tracking tool for the implementation of internal audit recommendations by management and noted the slow implementation of such recommendations. At all its quarterly meetings Management presents progress reports on the implementation of Internal Audit recommendations which assist the Committee in monitoring the implementation of recommendations.

The Committee evaluated the independence of the unit, effectiveness and performance of the internal audit function, considered internal audit reports on the municipality's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems and assessed the adequacy of the performance of internal audit function and found them satisfactory and improving.

7. REVIEW OF ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The Committee reviewed the 2021/2022 annual financial statements and the annual performance report as required by the MFMA. The Committee identified challenges which included but not limited to arithmetical errors which were pointed out to management for rectification. Due to time constraints the corrected reports could not be considered by the committee. The reviews confirmed that no new accounting policies were introduced and further that the annual financial statements were prepared on the going concern basis.

The Committee appreciated that the Annual Financial Statements were prepared internally CFO and the services of consultants was only used for external quality assurance. The However, the quality and accuracy of the AFS could not be verified by the Audit Committee given that it did not assess the corrected reports due to time constraints. The Committee would always appreciate to be given sufficient time to review the Annual Financial Statements for review to avoid unnecessary findings by the AGSA.

8. EXTERNAL AUDIT

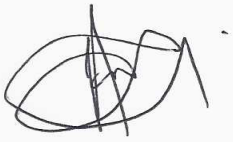
The Audit Committee considered the audit strategy by the Office of the Auditor General and made comments and further noted that for the year under review the amended public audit act would not be implemented. The Committee accepts the

external auditor's conclusions on the annual financial statements and the annual performance report for the 2021/2022 financial year.

The Audit Committee will continue to oversee the development of the Post Audit Action Plan and the implementation of project clean administration with the objective of improving the audit outcome for future years.

Except for the matters identified by the external auditors in the auditor's report, the Audit Committee has satisfied itself that the annual financial statements have been prepared in terms of GRAP and the MFMA except for the matters raised by the Office of the Auditor General.

Report Compiled on behalf of the Audit Committee by:



Mr A M Langa

Audit Committee Chairperson

10/01/2023

Appendix I - Service Provider Performance Schedule

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
1	8/3/1-2021/22	Hewu RA60 Regional Water Supply Scheme Phase 9: Raw Water Supply to Sada Water Treatment works.	13-Oct-21	Seedi development Projects	R42 220 294 .23	Progress at 0% construction
2	8/3/3-2021/22	Hewu RA60 Regional Water Supply Scheme Phase 11: Sada Water Treatment Works Zone 1 Rising Main, 12ML Reservoir & Gravity Mains to Zone 1 and Sada Prison	13-Oct-21	Africonstruction JV Mashampladumza General Trading	**R47 548 133,26**	Progress at 12.39% construction
3	8/3/15-2021/22	Chris Hani Sanitation Erection of VIP Structures for a period of 3 years	27-Oct-21	Panel of service providers	Rate Base	Progress at 45% construction
4	8/3/9-2021/22	Provision of Managed Internet Services for Chris Hani District Municipality for a period of 3 years	27-Oct-21	Business Connexion (Pty) Ltd	**R857 836.25**	Progress at 0% construction
5	41/2020-2021/LD(MR)	Supply, Delivery of Water & Wastewater Chemicals, conducting process audits, water safety plans & wastewater risk abatement plans for all water treatment plants of CHDM for a period of 3 years	27-Oct-21	Indlela Consultants	RATE BASE	Progress at 0% construction
6	8/3/2-2021/22	Hewu RA60 Regional Water Supply Scheme Phase 10: 6.0ML for Sada Whittlesea Zone 3	22-Nov-21	Africonstruction JV Mashampladumza General Trading	R28 298 422.13	Progress at 13.27% construction
7	8/3/23-2021/22	Provision of Waste Management Equipment for The Chris Hani District Municipality Waste Management Project at Komani, Enoch Mgijima Local	08-Nov-21	Earth Free Environmental Consultancy	R379 170.23	Progress at 100%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
		Municipality and Middelburg, Inxuba Yethemba Local Municipality				
8	8/3/21-2021/22	Appointment of the Panel of Information Technology (IT) Service Providers for the Provisioning of Information and Technology Services, Software, Hardware, I&T Security, I&T Electronics, and I&T Professional Services for A Period of Three (3) Years	08-Nov-21	1.Abangula Trading Enterprise (Pty) Ltd 2.Kernel Connections (Pty) Ltd 3.Mjoji Technologies cc 4. Qualitative Innovative Solutions (Pty) Ltd 5. Resilient Servers and Networks cc 6. Ubunye Consultants (Pty) Ltd	RATE BASE	Progress at 35%
8	8/3/14-2021/2022	CHDM Cluster 2 Rural Water Supply Backlog: (Mdeni) Njombela- Endwe Water Supply	23-Nov-21	Soyam'ubuntu Trading JV Intellec Construction	**R16 302 891,72**	Progress at 6.18% construction
5	8/3/22-2021/22	Provision of Relief Items during Disaster for a period of three (3) years	23-Nov-21	Qhumanco Trading	Quote Rate	Progress at 30% construction
10	8/3/19-2021/22	Procurement of Professional Services to provide technical support for Road Asset Management System (RAMS) for a period of three (3) years.	23-Nov-21	Phatsimo Management Consultants	**R7 769 011,54**	Progress at 46.8% construction

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
11	8/3/4-2021/2022	Cluster 5 Water Supply Backlog project: Bulk Lines Phase 1A	14-Feb-22	Tyeks Plant Hire and Construction	**R29 634 483.42**	Progress at 0% construction
12	8/3/5-2021/2022	Cluster 5 Supply Backlog Project: Eastern Distribution Lines Phase 2	14-Feb-22	Phumelela Dlomo JV Zamankosi Development f	**R44 239 513.94**	Progress at 14.87% construction
14	8/3/6-2021/2022	Cluster 5: Water Supply Backlog Western Distribution Lines Phase 3	15-Mar-22	Cycle Civils and Projects	**R10 208 910,46**	Progress at 62.33%
15	8/3/10-2021/2022	Cluster 7: Water Supply Backlog: Eluhewini Internal Reticulation Water Supply Scheme 1	14-Feb-202	Devomix Construction (Pty) Ltd	**R24 472 532,63**	Progress at 4.18% construction
16	8/3/13-2021/2022	Cluster 4: Water Supply Backlog Eradication Project (Qolweni-A and Hala BB Water Supply Village Reticulation)	01-Mar-22	Devomix Construction (Pty) Ltd	**R14 167 628,69**	Progress at 4.41% construction
17	8/3/25-2021/2022	Cluster 4 Water Supply Backlog Northen Scheme: Primary Mains and 1.8ml Reservoir from Sikhungwini to Lady Frere and Upper Ndonga Completion Works	01-Mar-22	Jordaan Irrigation Supplies t/a East Coast Irrigation	**R74 608 188,15**	Progress at 17.63% construction
18	8/3/27-2021/2022	Cluster 4 Water Supply Backlog: Northern Scheme: Primary Gravity Mains from Ndum Ndum to Cala Reservoir	15-Mar-22	Thubalam Trading cc	**R64 205 717,21**	Progress at 12.25% construction
19	8/3/28-2021/2022	Cluster 9 Water Backlog: Phase 5 Construction of Infrastructure to link the Nqamakwe Command Reservoir to the Cluster 8 Water Backlog Project	15-Mar-22	SLS Civils JV EG Piping	**R49 517 164,86**	Progress at 25.47% construction

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
20	8/3/11-2021/2022	Cluster 7 Water Supply Backlog Gulandoda Water Supply Scheme	17-Mar-22	Bitline SA 1060	**R14 738 183,11**	Progress at 21.11% construction
21	8/3/12-2021/2022	Cluster 4 Water Supply Backlog Eradication Program: Ncora/Jojweni Secondary Bulk & Water Supply1)	20-Dec-21	Bitline SA 1060	**R30 998 874,58**	Progress at 2.46% construction
22	8/3/16-2021/2022	Cluster 4 Water supply Backlog Project Ncora Flats Interim Scheme: Supply and Reticulation of Mgababa-A (Kunobopa) Village	12-Jun-20	Sime Holdings JV Palam Trading	**R5 508 949,94**	Progress at 35.21% construction
23	8/3/18-2021/2022	Cluster 8 Water Supply Backlog Construction of Qwebeqwebe Village Bulk Main Storage Reservoir and Reticulation	9-Apr-20	Sime Holdings	**R8 549 240,75**	Progress at 13.49% construction
24	8/3/32-2021/22	Cluster 4 Water Supply Backlog: Project Ncora Flats Interim Scheme Village Reticulation for Gesini (Mawusheni) 7 & Matafeni A	27-May-22	Iviwe Engineering Solutions	**R17 548 759,27**	3.5%
25	8/3/31-2021/22	Provision of support services for the Chris Hani District Municipality in the compilation of Annual Financial Statement and Auditing for the period of three (3) years	29-Jun-22	Bonakude Consulting (Pty) Ltd	**R1 483 845,00**	Progress as at 13.48%
26	8/3/17-2021/2022	Cluster 6 Water Backlog Project: Hlupekazi Villages Reticulation Water Supply Scheme	30-Mar-22	Mazangwa Construction Cc	**R47 478 069,14**	Progress at 0% construction

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
27	8/3/33-2021/2022	Cluster 9 Water Supply Backlog: Construction of Xolobe Area Reticulation Water Supply Scheme: Phase 1 (Khuze Link)	31-Mar-22	Tyeks Plant Hire And Construction (Pty) Ltd	**R31 636 851,95**	Progress at 2.64% construction
28	8/3/29-2021/2022	Cluster 8 Water Supply Backlog: Chaba Water Bulk Main Supply Scheme Storage Reservior and Reticulation	30-Mar-22	Tati Group JV A and P Civils and Trading (Pty) Ltd	**R11 924 832,54**	Progress at 10.19% construction
29	8/3/30-2021/2022	A panel of 15 suitable qualified service providers for provision of social facilitation services: Institutional & Social Development (ISD) for CHDM for 3 years	30-Mar-22	Panel of service providers	**Rate Base**	Progress at 15% construction
30	05/2020-2021/LG(BN)	Cluster 4 water supply backlog project: northern scheme primary mains & pump station from ngxuza to ndum reservoir (ngxumza to east)	13/10/2020	Batabile construction services	**R42,377,335.47**	Progress at 84.47% construction
31	06/2018 MD (TN)	Cluster 6 project: construction of hlopekazi and kumbeke bulk infrastructure	27/11/2018	Egxeni engineers cc	**R20,995,075.62**	Progress at 78.63% construction
32	06/2020-2021/LG(BN)	Cluster 4 water supply backlog: northern scheme primary steel main and pump from sikungwini to ngxumza reservoir	20/11/2020	Ipm plant hire	**R45,800,078.65**	Progress at 53.86% construction
33	07/2018-2019/MD(TN)	Engcobo new 2mi/ day waste water treatment works phase 1 and outfall sewer	05/03/2019	Shirdo trading (pty) ltd jv kwanyoni trading enterprise	**R91,021,376.40**	Progress at 16.21% construction

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
34	07/2020-2021/LG(BN)	Cluster 4 water supply backlog: northern scheme supply, delivery and store on site of coated and lined steel pipe for bulk water mains from sikungwini to ngxumza reservoir	20/11/2020	Hall longmore	**R30,138,205.02**	100.00% complete
35	08/2018/MD(TN)	Cluster 4 water supply backlog eradication : kwamzola and matafeni-b water supply	21/09/2018	Diphatse trading and projects	**R33,941,848.54**	88.84% Progress at construction
36	08/2020-2021/LG(TN)	Cluster4 water supply backlog: northern scheme supply,delivery and store on site of coated and lined steel pipe for bulk water mains from ngxumza to ndum ndum reservoir	20/11/2020	Hall longmore	**R13,728,725.59**	100.00% complete
37	09/2020-2021/LG(TN)	Cluster 6 water backlog project - gqaga to mnyolo water supply project	02/03/2021	Batabile construction services	**R46,794,488.35**	60.34% Progress at construction
38	11/2019-2020/MS(BN)	Gubenxa and maxongoshoek villages rural water supply scheme	20/03/2020	Amlo jv intellec construction	**R17,471,307.79**	55.57% Progress at construction
39	12/2018-2019/MD(AM)	Cluster 5 water supply backlog project: water supply to lalini and nkwenkwezi villages	29/05/2019	Amadwala trading 363 cc	**R16,790,566.95**	57.76% Progress at construction
40	14/2019-2020/LG(BN)	Cluster 2 water supply backlog project regional scheme 3 phase 1d construction of borehole pumpstations, steeltanks, pumping mains and water reculation	12/06/2020	Cape kei construction services	**R20,656,783.93**	94.87% Progress at construction

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
		network for bukwana and surrounding areas				
41	15/2019-2020/LG(BN)	Cluster 2 water supply backlog project: gqebenya scheme construction of a 500kl concrete reservior, two borehole	20/03/2020	Sakwe projects jv mashampla dumza trading	**R18,961,563.98**	86.24% Progress at construction
42	15/2018-2019/MD(BN)	Water supply backlogin chdm-cluster 1: construction of bulk water supply : mhlanga and mgwalane	29/05/2019	Mamlambo construction	**R76,664,567.55**	96.23% Progress at construction
43	17/2018-2019/MD(TN)	Cluster 6 water backlog: lokishini phase 2 - village reticulation	17/02/2020	Seebo jv amlo cc	**R30,697,444.50**	67.68% Progress at construction
44	17/2019-2020/MD(BN)	Cluster 2 water supply backlog project: scheme 3-1c construction of pumping mains, booster pumpstations & water reticulation	24/03/2020	Sakwe projects jv mashampla dumza trading	**R18,342,661.33**	78.34% Progress at construction
45	18/2019-2020/LG(AM)	Molteno water treatment works-phase 1 contract 1b-construction of the new500mm diameter supply main and 2.75mi reservoir	12/06/2020	Norland constrction	**R12,318,943.75**	13.50%
46	19/2019-2020/LG(AM)	Molteno water treatment works-phase 1 contract 1a-refurbishment of the molteno water treatment works (me)	12/06/2020	Purple pansy 101cc t/a sondeza amanzi	**R3,933,814.78**	97.99%
47	20/2019-2020/LG(BN)	Cluster 2water supply backlog project: regional scheme 3 phase 1: lututu construction of a pumping main, water	12/06/2020	Tati group jv	**R8,304,084.78**	94.98%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
		reticulation network and concrete reservior repair for lututu village				
48	21/2019-2020/LG(BN)	Dordrecht water and sanitation services: upgrading of bulk water supply phase 4: construction of dams, pumpstations and pumplines	12/06/2020	Magnacorp 485 cc jv livero civils (pty) ltd	**R134,634,736.60**	15.17%
49	23/2019-2020/LG(TN)	Cluster 6 water backlog: sundwana village reticulation phase 1	12/06/2020	Kayalihle/startime jv	**R5,823,728.48**	62.43%
50	23/2019-2020/LG(TN)	Cluster 6 water backlog: sundwana village reticulation phase 1	12/06/2020	Kayalihle/startime jv	**R5,823,728.48**	62.43%
51	24/2019-2020/LG(TN)	Cluster 6: water backlog project: kumbeke village reticulation water supply scheme	12/06/2020	Cape kei construction services	**R7,704,561.64**	74.56%
52	25/2019-2020/LG(TN)	Cluster 6: water backlog project: lixeni & ncityana village reticulation water supply scheme	12/06/2020	Matemba civils amatole cc	**R9,418,272.52**	75.74%
53	27/2019-2020/LG(BN)	Cala bulk sanitation services: completion of cala waste water treatment works including bulk pump stations and associated rising mains phase 1	12/06/2020	Ruwacon	**R37,950,000.00**	49.72%
54	29/2016/MD(TN)	Upgrade of tsomo water waste treatment works: civil mechanical and instrumentation work	13/12/2017	Bicacon (pty) ltd	**R86,055,521.51**	79.72%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
55	33/2015/MD(TN)	Tsomo river abstraction and water treatment works construction	21/12/2017	Unik civil engineerig	**R195,896,966.60**	93.14%
56	34/2019-2020/LG(TN)	Cluster6: water backlog: lokshini village reticulation phase 3	12/09/2020	Coalition trading 1203 cc	**R25,471,738.99**	63.69%
57	35/2019-2020/LG(TN)	Cluster4: water supply backlog project: ncora flats interim scheme village reticulation for Mtshabe	09/12/2020	Buchule engineers t/a sna construction	**R2,419,002.21**	89.93%
58	36/2019-2020/LG(TN)	Cluster 4 water backlog Ncora flats interim scheme: bulk supply and village reticulation for Gasini	20/11/2020	Buchule engineers t/a sna construction	**R5,438,838.04**	62.75%
59	37/2019-2020/LG(AM)	Cluster 5: water supply backlog project: water supply to Mntuntloni b villages	24/08/2020	Muscon civils	**R18,411,682.85**	88.77%
60	38/2019-2020/LG(AM)	Construction of Hewu ra60 regional water supply scheme phase 8: zone 2 rising main	02/03/2021	Ipm plant hire	**R39,283,092.36**	31.60%
61	39/2019-2020/LG(AM)	Construction of new Rathwick sewer pump station and bulk main to the Enkululekweni sewer pump station in Komani	18/12/2020	Bitline sa 1060	**R32,850,159.33**	25.93%
62	40/2019-2020/LG(AM)	New Rathwick bulk services phase 4 (m&e) tender for equipping and commissioning of mechanical and electrical equipment for the new Rathwick sewer pump station in Komani	20/11/2020	Klomac engineering	**R10,579,218.28**	8.20%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
63	42/2016/BM(NM)	Construction of new Chris Hani village office park - phase 1	29/05/2019	Base major construction (pty) ltd	**R170,950,030.71**	8.71%
64	01/2019-2020/ZS(NM)	Supply, delivery & installation of mobile offices for CHDM water services staff in Sterkstroom	24/08/2020	Container consumables & industrial supplies cc	**R810,890.30**	100%
65	02/2020-2021/MD(ZM)	Provision of auctioneer services for vehicles, ICT equipment and office furniture for 2 years	13/10/2020	Mozi auctioneers	**4.5% COMMISION**	98%
66	03/2019-2020/YD (BF)	Supply and delivery of end user computing for Chris Hani district municipality for a period of three years	17/02/2020	Ion consulting (Pty) ltd	**RATE BASED**	
67	03/2020-2021/MD (ZN)	Provision of short term insurance for the insurance portfolio of Chris Hani district municipality for the prtiod of 3 years	13/10/2020	Lateral unison	**R7,591,507.00**	48%
68	04/2018-2019/YD (TS)	Call for expression of interest to be included in the panel of service providers for the provision of legal services for a period of three years	17/09/2019	Clark laing	**RATE BASED**	95%
69	04/2018-2019/YD (TS)	Call for expression of interest to be included in the panel of service providers for the provision of legal services for a period of three years	17/09/2019	Mc williams and elliot incorporated	**RATE BASED**	95%
70	04/2020-2021/MD (ZM)	Full physical verification of immovable assets, condition assessment, revise remaining useful lives of asset (rul) where necessary and compilation of	13/10/2020	Smec south africa	**R2,494,800.00**	86%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
		Grap compliant immovable fixed asset register for the period of 3 (three) years				
71	12/2020-2021/YD(ST)	Provision of security management services for the period of three (3) years (cluster 1 sites)	30/04/2021	Siyazu agencies	**R36,353,060.10**	47%
72	13/2020-2021/YD(ST)	Provision of security management services for the period of three (3) years (cluster 2 sites)	30/04/2021	Tyekana protection and cleaning (pty) ltd	**R14,196,650.04**	77%
73	14/2020-2021/YD(ST)	PROVISION OF SECURITY MANAGEMENT SERVICES FOR THE PERIOD OF THREE (3) YEARS (CLUSTER 3 SITES)	30/04/2021	WORLD FOCUS 1818 cc t/a SOVSECURITY SERVICES	**R16,007,160.00**	86%
74	15/2020-2021/YD (TS)	Provision of security management services for the period of three (3) years (cluster 4 sites)	30/04/2021	Reliable guards	**R25,565,632.48**	74%
75	16/2020-2021/LG(MS)	Provision of support services for CHDM for repairs and maintenance of electrical & mechanical infrastructure for a period of 3years	19/03/2021	Panel	**RATE BASED**	32,3%
76	17/2020-2021/LG(MS)	Provision of support services for CHDM for repairs and maintenance of civil infrastructure for a period of 3years	19/03/2021	Panel	**RATE BASED**	34%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
77	18/2020-2021/LG (MS)	Provision of jetting machine support services for a period of three (3) years for CHDM	30/04/ 2021	Panel	**RATE BASED**	33%
78	20/2018/YD(TS)	Provision of managed printing services for Chris Hani district municipality for a period of three years	16/01/2019	Genbiz trading 1001 (Pty) Ltd t/a aloe office & business equipment	**RATE BASED**	100%
79	22/2019-2020/LG(MR)	Chris hani district municipality is looking to appoint three(3) service providers for support services, supply and delivery of liquid flocculants and disinfectants, specialised handling of equipment and related training for safety audits, optimization and hazmat response for all water plants of CHDM for a period of three (3) years	12/06/2020	Indlela consultants (Pty) ltd	**RATE BASED**	86%
80	22/2019-2020/LG(MR)	Chris Hani district municipality is looking to appoint three (3) service providers for support services, supply and delivery of liquid flocculants and disinfectants, specialised handling of equipment and related training for safety audits, optimization and hazmat response for all water plants of CHDM for a period of three (3) years	12/06/2020	Metsi water solutions (Pty) ltd	**RATE BASED**	86%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
81	28/2020-2021/LG(BN)	Manufacture supply and delivery of precast concrete vip and puor-flush toilets, including site support for a period of three years	18 December 2020	Izwelethu cermforce	**50587,35 per unit**	35%
82	30/2018-2019/YD(PM)	Provision for management, treatment, monitoring and reporting on injuries on duty, occupational illness and diseases for Chris Hani district municipality for a period of thee (3) years.	17/09/2019	Mink-line consulting	**RATE BASED**	100%
83	32/2019-2020/LG(NB)	Provision of support services for CHDM in the implementation of water loss management programme for a period of 3 years	24/08/2020	Re-solve consulting (Pty) ltd	**R455,616.20**	0%
84	33/2019-2020/LG(NB)	Supply, delivery & installation of water services material for CHDM for a period of 3 years	24/08/2020	Dicla training and projects	**RATE BASED**	73%
85	33/2019-2020/LG(NB)	Supply, delivery & installation of water services material for CHDM for a period of 3 years	24/08/2020	Qumanco trading	**RATE BASED**	73%
86	34/2020-2021/YD(LL)	Provision of unified email solution for a period of three (3) years	30/04/2021	ICT choice	**R3,218,827.35**	100%
87	38/2020-2021/YD (LL)	SUPPLY DELIVERY INSTALL AND MAINTAIN PUBLIC WI-FI HOTSPOT WITH 100BPS INTERNET SPEED FOR A PERIOD OF THREE (3) years	29/06/2021	Ovation Concepts (Pty) Ltd	**R2,420,932.34**	95%
88	39/2020-2021/ZS(NG)	Beautification of n6 Cathcart Road as part of Komani revitalization enoch mgijima LM	30/04/2021	Rhuone projects	**R3,158,116.34**	100%

No.	TENDER NO.	CONTRACT DESCRIPTION	AWARD LETTER	SERVICE PROVIDER	TENDER AWARD VALUE (incl VAT)	STATUS
89	42/2020-2021/LG (TM)	Supply, delivery and installation of fencing in Middelburg wastewater treatment works	29/06/2021	Ngcobs plumbing and enterprise (Pty) ltd	**R2,068,380.24**	65%
90	46/2020-2021/YD (LL)	Implementation and maintenance of managed disaster recovery services and provisioning of business continuity for CHDM for 3 years	19/05/2021	ICT choice	**R5,146,426.31**	100%
91	REGULATION 32	Vat compliance, review and recovery for CHDM for a period of three years	21/08/2020	Newlipath (Pty) Ltd	**15%Commission**	89%

Appendix J - Disclosure of Financial Interest

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2021-2022 FY		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cllr Wongama Gela	1.Having financial interest tin any business undertaking (accommodation establishment) 2.having financial interest in property (Residential/ flats at Ezibeleni as a Owner) 3.Received gift exceeding R350 (DONATION of R100.000 for charity work of the ANC Chairperson)
Member of MayCo / Exco		
Deputy Executive Mayor	Cllr Noncedo September-Caba	1. Receiving pension of any kind? (Dept of Education) 2. Close family member and associates doing business with? (Nompendulo Caba :Child)
Council Speaker	Cllr Jongumzi Cengani	Nil
Chief Whip	Cllr Nobantu Macingwane	1. A member of the family or relative employed by the Municipality? (Unathi Macingwane: Clerk)
Portfolio Head: IPED	Cllr Sibongile Mbotshane	1.Any member of the family employed by the Municipality? (Onela Mbotshane: Asset manager - Nosibusiso)
Portfolio Head: Budget and Treasury	Cllr Siyabulela Nxozi	Nil
Portfolio Head: Health and Community Services	Cllr Sinomtha Lali	1. Are you a director or a member /member of any company or its committee? (NPO of Dr. P Madubedube)
Portfolio Head: Corporate Services	Cllr Thumeka Bikwana	Nil
Portfolio Head: SPU	Cllr Thembisile Bobo	Nil
Portfolio Head: Infrastructure	Cllr Bongeka Nobuntu	1.A member of any Close Corporation (the flower trading) 2. are you a director or a member /member of any company or its committee? (50%ownership of Sopitsho Construction), Laddy million consultancy 100% Ownership)
Councillor		
Chairperson : MPAC	Cllr Patheka N. Makapela	1. Are you receiving a pension of any kind? (GPF Widows Pension)
	Cllr Fumanekile Mthandeki	Nil
	Cllr Robert W. Venske	Nil
	Cllr Humphrey S. Nobongoza	1. Are you receiving a pension of any kind? (old age pension from SASSA)
Municipal Manager	Mr Gcobani Mashiyi	1. A member of any close corporation(Ikwezi Lomso CC 50%,Lathilops CC 100%,Zinazo 33%) 2. Are you in paid employment over and above that being a Municipal official? (Mdale Kitchen owned by mother, Emerging Farmer Owner of livestock) 3. Having financial interest in any property (Renting a house in Johannesburg)
Chief Financial Officer	Mr Christopher Mapeyi	Nil

Other S57 Officials		
Director: Strategic Management Services	Dr Bheki Mthembu	1.Having financial interest in trust (Shebece Trust) 2.Director/member of ay company or its committee(SBC Holding) 3.Having financial interest in any business undertaking (Residential Property)
Director: IPED	Dr Zamuxolo Shasha	1.Having financial interest in trust(Shasha Family Trust) 2. Having financial interest in property(Residential) 3. Having a member of a family or relative employed by the Municipality(Moses Shasha, Avuyile Shasha, Siyanda Shasha, Matlongo Shasha, Nomveliso Shasha, Tobela Nyengane)
Director: Corporate Service	Ms Yolanda Berly Dakuse	1. Any member of your family or relative employed by the municipality. (Ms. Gcobisa Matakane at Engineering)
Director: Engineering	Mr Luzuko Govu	Nil
Director: Health and Community Service	Ms Ntombikayise Mnyengeza	Nil
Acting Director: Strategic Management Services	Ms. Bulelwa Ganyaza	Nil
** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A* *T J*		

Appendix K: Revenue Collection Performance
Appendix K (i): Revenue Collection Performance by Vote

Revenue Collection Performance by Vote R' 000						
Vote Description	Year - 2020/2021	Current: 2021/2022			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - Vote 1	413 336 258			369 105 158		
Total Revenue by Vote	**413 336 258**	**–**	**–**	**369 105 158**	**–**	**–**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 *T K.1*						

Appendix K (ii): Revenue Collection Performance by Source

Revenue Collection Performance by Source R '000						
Description	Year -2021	Year 2022			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	–	–	–	–	0%	0%
Property rates – penalties & collection charges	–	–	–	–	0%	0%
Service Charges – electricity revenue	–	–	–	–	0%	0%
Service Charges – water revenue	350 684 011			304 389 696	100%	100%
Service Charges – sanitation revenue	62 652 247			64 715 462	100%	100%
Service Charges – refuse revenue	–	–	–	–	0%	0%
Service Charges – other	–	–	–	–	0%	0%
Rentals of facilities and equipment	–	–	–	–	0%	0%
Interest earned – external investments	7 036 967			10 404 449	100%	100%
Interest earned – Bank	490	–	–	190		
Interest earned – outstanding debtors	62 769 124			84 184 851	100%	100%
Dividends received	–	–	–	–	0%	0%
Fines	–	–	–	–	0%	0%
Licences and permits	–	–	–	–	0%	0%
Agency services	–	–	–	–	0%	0%
Transfers recognised – operational	714 817 699			665 916 294	100%	100%
Other revenue	1 048 119			867 450	100%	100%
Gains on disposal of PPE	–	–	–	–	0%	0%
Environmental Protection	–	–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	**1 199 498 483**			**1 130 667 874**	**100,00%**	**100,00%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

Appendix L: Conditional Grants Received: Excluding MIG

Conditional Grants: excluding MIG R' 000						
Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjustments Budget**	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Department of Roads & Transport	-	-	-			
Rural Road Asset Management			3 299 736			
Other Specify:						
Water Services Operating Grant			88 949 717			
Finance Management Grant			1 000 000			
E P W P			3 838 001			
MDRG	-	-	3 426 511			
Municipal DIS Covid – 19			-			
Regional Bulk Infrastructure			275 774 240			
Total			376 288 205			

** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.* *T L*

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG

Appendix M(i): Capital Expenditure – New Assets Programme

Appendix M(ii): Capital Expenditure – Upgrade/Renewal Programme

Appendix N: Capital Programme by Project current year

Capital Programme by Project: Year 0					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
Sanitation/Sewerage					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Electricity					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Housing					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Refuse removal					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Stormwater					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Economic development					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Sports, Arts & Culture					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Environment					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Health					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Safety and Security					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
ICT and Other					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%

T N

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