

2022/2023

ANNUAL REPORT
FOR
ILEMBE DISTRICT MUNICIPALITY
1 JULY 2022 – 30 JUNE 2023

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1.1 OVERVIEW BY HIS WORSHIP THE MAYOR

Greetings to our residents, patrons and stakeholders. It is my privilege to present to you the 2022/2023 Annual Report for the iLembe District Municipality. Looking back at the year under review, there is much to be proud of and challenges experienced which, in turn, has reinforced our sense of determination to continue to work steadfastly towards the fulfilment of the District Municipality's vision and mission statement.

These two are critical facets in the fibre to advancing our commitment to providing unparalleled water and sanitation services, people's development, building unity and a sense of belonging across racial and cultural barriers and empowerment and job creation.

POLICY DEVELOPMENT

At the commencement of our tenure, the District Council formulated Strategic Objectives/Goals to achieve freedom, fairness and opportunity within the community and to direct an open opportunity society through diversity and delivery of the goals. These strategic objectives which ought to be realised within the five of our service, were aligned with National Outcomes, National Development Plan, Back-to-Basics and the KZN Provincial Spatial Development Framework (PSDF), they are:

KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT				
IDP REF.	**NATIONAL OUTCOME**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5-YEAR STRATEGIC OBJECTIVE**
MTI01	1. Capable, Ethical and Developmental State. 7. A Better Africa and World.	1. Inclusive Economic Growth. 2. Human Resource Development.	• Effective governance. • Policy and Social Partnerships.	To ensure the efficient administration and institutional development.

KPA 2: LOCAL ECONOMIC DEVELOPMENT				
IDP REF.	**NATIONAL OUTCOME**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5-YEAR STRATEGIC OBJECTIVE**
LED01	2. Economic Transformation and Job Creation.	1. Inclusive economic growth. 3. Human and Community Development.	• A diverse and growing economy. • Promote social well-being.	To maintain inclusive and sustainable economic growth.

KPA 3: BASIC SERVICE DELIVERY				
IDP REF.	**NATIONAL OUTCOME**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5-YEAR STRATEGIC OBJECTIVE**
BS01	4. Consolidating the Social Wage through Reliable and Quality Basic Services. 5. Spatial Integration, Human Settlements and Local Government.	1. Inclusive economic growth. 4. Strategic Infrastructure.	• Equity of access. • A liveable region.	To provide access to water and sanitation services.

KPA 4: FINANCIAL VIABILITY & MANAGEMENT				
IDP REF.	**NATIONAL OUTCOME**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5-YEAR STRATEGIC OBJECTIVE**

FV01	4. Consolidating the Social Wage through Reliable and Quality Basic Services. 7. A Better Africa and World.	7. Governance and Policy.	• Effective governance. • Policy and Social Partnerships.	To ensure financial sustainability to meet the statutory requirements.
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION				
IDP REF.	**NATIONAL OUTCOME**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5-YEAR STRATEGIC OBJECTIVE**
GP01	1. Capable, Ethical and Developmental State. 4. Education, Skills and Health. 6. Social Cohesion and Safer Communities.	7. Governance and Policy. 3. Human and Community Development.	• Promote social well-being. • Effective governance. • Policy and social partnerships, and • A liveable region.	To ensure transparent, good governance and regulatory compliance.
KPA 6: CROSS-CUTTING				
IDP REF.	**NATIONAL OUTCOME**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5-YEAR STRATEGIC OBJECTIVE**
CC01	3. Education, Skills and Health. 5. Spatial Integration, Human	3. Human and Community Development. 4. Strategic Infrastructure.	• Promote social well-being. • Effective governance.	To facilitate coordinated planning, development and

	Settlements and Local Government. 7. A Better Africa and World.	5. Spatial Equity. 6. Environmental Sustainability	• Policy and social partnerships, and • A liveable region.	environmental sustainability.

The aforementioned indicators have been measured and monitored throughout the year under review and all relevant information was captured on an electronic performance management system. I am pleased to report that in terms of performance the District Municipality achieved --% in KPA 1, --% in KPA 2, --% in KPA 3, --% in KPA 4, --% in KPA 5 and --% in KPA 2. Continuous monitoring of performance and corrective measures resulted in the fulfilment of the District Municipality's responsibilities per its strategic objectives and legislative mandate during the reporting period.

I am also pleased to report that the District Municipality received and maintained an unqualified audit opinion from the Office of the Auditor General of South Africa for the 07th consecutive year since 2016/2017, whilst our trajectory is a clean audit opinion. This we pray will be achieved in the coming years given our investment to proper and sound financial discipline, good governance and performance systems.

KEY SERVICE DELIVERY IMPROVEMENTS

Some of the key service delivery improvements and achievements for this year under review included:

- **3%** reduction in non-revenue water in 2022 (i.e. non-revenue water was 56.3% from 58.3% in 2021 and water losses climbed down to 46% from 48.7% in 2021);
- **1%** reduction in non-revenue water in 2023 (i.e. non-revenue water was 55.3% from 56.3% in 2022 and water losses climbed down to 45% from 46% in 2022);
- Phase One (1) of the Flood Relief Grant amounting to R19,5 million was completed and commissioned in December 2022, and Phase Two (2) of the grant was approved, and allocations were made in March 2023 aiming at rehabilitation of Water and Waste Water Treatment Works and Pump Station. Other interventions this grant was used for includes hiring of water tankers, refurbishing

hand pumps, drilling of boreholes, spring protection and procurement of 100 JoJo Tanks.

- Implementation of Umshwati Regional Bulk Water Scheme to augment water supply to all the areas that are suffering due lack of water resource in Ndwedwe and Maphumulo.
- Implementation of Groutville D Water Borne Sanitation to provide bulk sanitation to cater for housing project in Groutville Priority 2 & 5 including Njekane, Lloyds, Ntshawini, Wards 09, 11, 14, 15, 24 and 26 in KwaDukuza.
- Implementation of Macambini Sub-Regional Water Scheme Phase 1-9, currently on Phase 5, to eradicate water backlogs in the entire Macambini area incorporating Wards 01, 02, 03, 08 & 09.
- Implementation of Ndulinde Sub-Regional Water Scheme to eradicate water backlogs in the entire Ndulinde area and parts of Isithebe incorporating Wards 05, 06, 11, 12, 16, 17 and 18.

PUBLIC PARTICIPATION

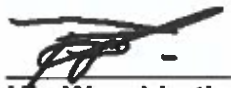
As the District Municipal Council, we of the premise that public participation is of utmost importance to our District and therefore we have created an open opportunity for our patrons, the local municipalities, and other stakeholders through various platforms. The District Municipality partnered with local municipalities to host IDP and Public participation meetings throughout its jurisdiction. Other communications initiatives include the Internal and External Newsletters of Council to ensure ongoing feedback.

FUTURE ACTIONS

The District Council is working to implement the DISTRICT INCENTIVE SCHEME in order enable ease to doing business in the region. This will act as a mechanism of intervention to assist in investment attraction. The SCM process for the appointment of a service provider for this project was finalised in September 2022. The inception report and situational analysis report has been finalised and stakeholder engagements are underway.

CONCLUSION

I would like to express my gratitude to all the Councillors for their contribution and commitment towards realising the vision and making a difference in the lives of all in the iLembe District. I would also like to thank the Management Team and Staff members for their support during the year. Without your commitment and loyalty, these achievements would not have been possible.



His Worship the Mayor
Cllr T. P Shandu
Date: 24 January 2024

1.2 FOREWORD BY THE MUNICIPAL MANAGER

The Annual Report for 2022/2023 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates and guidelines. In particular, MFMA Circular No. 63, issued in September 2012, added guidance to the preparation of this annual report, requiring all municipalities to report within the established framework and for such reports to be submitted to the Auditor General at the same time as the Annual Financial Statements in August each year.

This report records the performance and progress made by iLembe District Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), Institutional Scorecard and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the period under review. The 2022/2023 financial year saw us enjoy a string of successes from an administrative perspective. We are also required to report on the performance of the municipality's entity, which is iLembe Enterprise for which we have total ownership.

During the previous financial year, iLembe District Municipality obtained an unqualified audit opinion from AGSA with emphasis of matter, that is, non-compliance with legislation. On performance management the municipality received an unqualified opinion with no matters of emphasis, a highest possible standard. This is a great achievement and as such I congratulate all councillors and officials who, through diligence and discipline, managed to achieve this.

As a district, we are faced with a number of challenges, relating to the non-payment of services. To date, we have not seen a significant improvement towards collecting debt owed by residents on the services that we render to them. The municipality is also making sure that there are specific interventions that are aimed at other sectors (such as Business, Sector Departments etc) to pay municipal debt, based on services that have been rendered. This has culminated in a joint venture with Provincial COGTA in the form of Masakhane Campaign, which is set to begin during the first quarter of 2023/24 financial year. We hope that this joint venture will yield positive results, especially on our revenue collection.

The 2022/2023 Annual Report is therefore aimed at presenting to Council, the community and other agencies the performance of the municipality against its powers and functions. The effect of ongoing non-payment has a negative impact on the cash flow of the Municipality and negatively affects financial viability. Non-payment directly impacts the day to day operations of the municipality as we have limited revenue to fund operational expenditure and internally funded capital projects.

The collection rate for the 2022/23 in all services rendered was 51.0%. This represents a 7% decline from 58.0% achieved during the previous financial year.

The cumulative collection rate is still a worrying factor but Management is confident that the existing plans currently being implemented will yield positive results and will soon start to impact positively on revenue collection. These interventions include (amongst other things) the following

- Strengthening engagements with Department of Education regarding schools and offices high in debt.
- Targeting residential debt and areas that were previously not receiving water.
- Adjusting of consumer accounts in areas that do not consistently get water supply.
- Expenditure and revenue management meetings taking place.
- Implementation of revenue action plan.
- Council assistance and support.
- Vigorous implementation of the Credit Control and debt control policy.
- Ensuring that consumers are warned of their outstanding arrears via smmes, phone calls etc.

The total gross consumer debtors amounted to R839.3 million in June 2023. This signifies that excessive amount of cash which is tied up in consumer debtors. As illustrated below, most of consumer debt spans above one year which remains a worrying factor. As alluded to above, efforts are however in place to ensure that the debt is collected. These efforts include, amongst other things, strict enforcement of the credit control policy.

Management and Council are working vigorously to turn the situation around by means of strengthening the credit control and collection measures, implementing stringent cash flow monitoring, including revamping and re-enforcing control measures at the Stores Department, and these are some of the measures that are implemented.

FINANCIAL PERFOMANCE

Financial Viability remains a priority amongst the organizational strategic imperatives. The financial year under review was not different from other financial years in terms of placing a dedicated focus on how the financial situation of the Municipality can be turned around from the historic turbulent position into a more stable one. Despite the volatile economic conditions under which iLembe District Municipality operated during 2022/23 financial year, the Municipality continued to thrive as a going concern and is to remain as such within a forceable future as at the date of reporting the 2022/23 financial results

ILEMBE DISTRICT BEST PRACTICES (AND RECOGNITION THEREOF)

As a municipality, we continue to strive for excellence, having being recognised previously by KZN COGTA for producing credible IDP's. The municipality continues to be responsive to community needs through ongoing interactions with the members of the public, including Taking Council to The People, Mayoral Imbizo's and scheduled IDP Meetings.

The introduction of OSS/DDM Model has also strengthened intergovernmental relations while aligning the delivery of services of governmental sectors. As iLembe we have established five (5) OSS/DDM Clusters (Governance, Security, Social, Economic and Communications & Public Participation Cluster), One (1) Technical DDM Hub and One (1) Political DDM Hub. The clusters are chaired by Mayors from the four (4) Local Municipalities under iLembe District.

The new board of Directors was put in place for Enterprise iLembe in January 2021, and the entity has succeeded to obtain unqualified audit opinions 4 years in the row (2018/2019, 2019/2020, 2020/2021, 2021/22).

TOP FIVE (5) STRATEGIC RISKS FACING THE MUNICIPALITY DURING 2022/2023 FINANCIAL YEAR

It is important to mention that to ensure the long-term sustainability of the municipality, as a collective, we need to deal with the top five risks that have been identified. Below are the top 5 strategic risks that have been identified during the period under review:

- Business Support: Lack of communication with Stakeholders and communities;
- Technical Services: Delays in reviewing Siza Water Concession;
- Technical Services: Security of raw Water Sources;
- Strategy: Inappropriate Corporate Culture; and
- Service Delivery: Violent public protests.

There is a strong political and administrative will to deal with the above-mentioned risks, as there are mitigation strategies in place, and are being closely monitored by our Enterprise Risk Management Unit working closely with the entire management team.

In conclusion, I would like to thank our political leadership, management team of iLembe District and Enterprise iLembe, Vuthela officials and all our employees for their hard work and continued commitment in ensuring that iLembe District Municipality delivers on its obligations and commitment to the people of South Africa. I look forward to another year in which we will continue to build on our achievements and work together to find innovative ways to overcome our challenges and ensure that we continue to serve our people as required by the Constitution.

Mr. S Mbhele
Municipal Manager
Date: 24 January 2024

1.3 MUNICIPAL OVERVIEW

1.3.1 ILEMBE DISTRICT MUNICIPALITY PROFILE

iLembe District Municipality (DC29) lies on the east coast of KwaZulu-Natal, between eThekwini Metro in the south and King Cetshwayo District in the North. To the west, iLembe is bordered by two Districts; uMgungundlovu and uMzinyathi. At 3 260km², this is the smallest of the 10 KZN District Municipalities with a total population of approximately 657,612 people (Statics SA Community Survey 2016). iLembe District is constituted by four Local Municipalities; Mandeni, KwaDukuza, Ndwedwe and Maphumulo.

iLembe is located between two of Africa's busiest ports, Durban and Richards Bay, on the primary economic development corridor in the province, and is therefore well positioned
not only to local, but also international markets. The King Shaka International Airport and the Dube Trade Port, just a few kilometres from the southern border of iLembe, have amplified what was already a prime investment destination. The District is made up of 45 Traditional Authorities (TA) areas where each settlement is controlled by TA according to a traditional land tenure system. These TA areas cover approximately 63% of the total area of iLembe; where the Ingonyama Trust own the majority of the land within the municipality of Maphumulo, the lower reaches of Ndwedwe (69%) and coastal and inland reaches of Mandeni (49%). (See below figure 2).

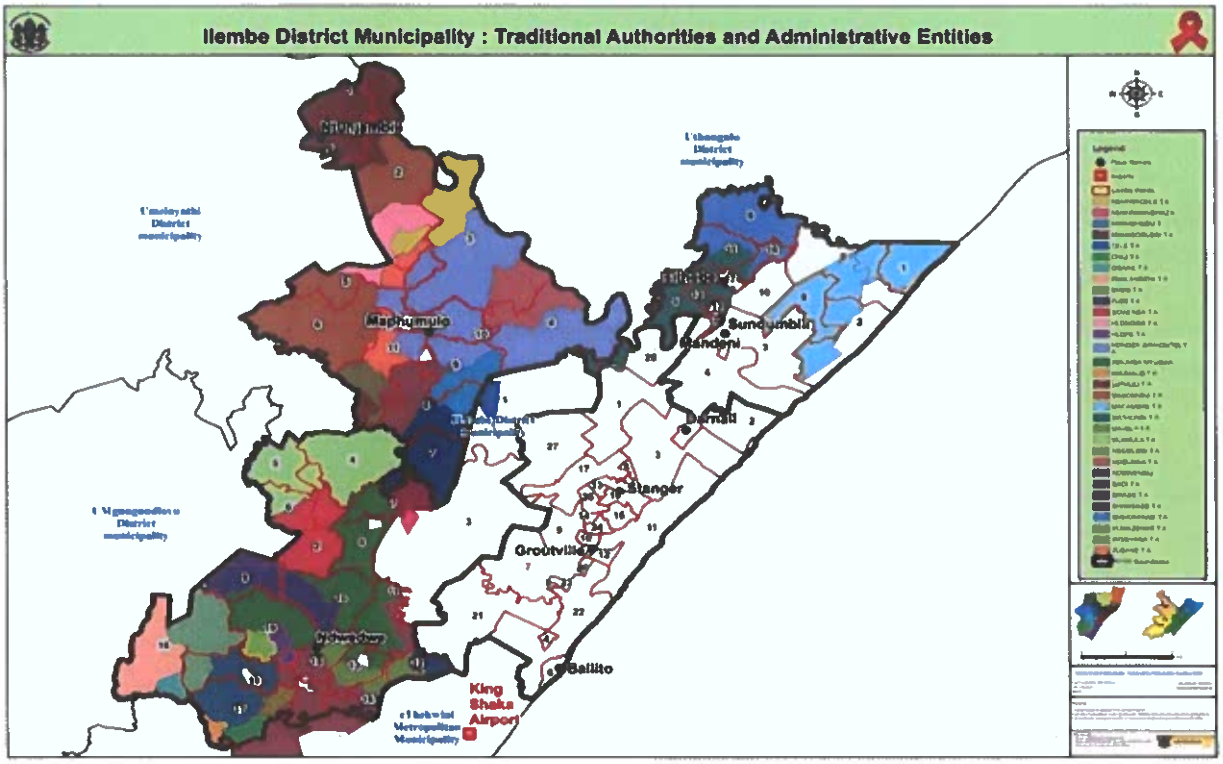


Figure 2: iLembe District Municipality: Traditional Authorities And Administration Entities

The northern areas of Ndwedwe, the central corridor of Mandeni and KwaDukuza Municipality are the commercial farming hubs of the District. The commercial farming areas of KwaDukuza, Mandeni and Ndwedwe (31% of the iLembe District) are mainly under privately owned sugar cane. Areas of urbanisation in the District comprise of KwaDukuza, Mandeni, the Dolphin Coast and Nkwazi Land uses within these areas are typically urban mixed uses with high levels of infrastructural and service development and an adequate provision of social facilities and services to support the resident populations. Industrial development is concentrated in KwaDukuza, iSithebebe and Darnall, most notably the Gledhow and Darnall sugar milling operations at Stanger and the Sappi Paper mills at Mandeni.

Informal settlements with limited facilities or infrastructural services occur on the periphery of the developed areas and within the towns of iLembe. Village centres such as Maphumulo and Ndwedwe in the west, Nyoni and Mbizimbelwa in the north, comprise of commercial and service development in the rural areas. They largely exist in association with a magistrate's court, clinic, pension pay point, health, education and welfare office or similar state service. Wholesale commercial activities have

expanded and these villages have emerged as supply centres and transportation hubs to the remote rural areas of iLembe.

Despite its strategic location, iLembe faces numerous economic challenges such as the high levels of poverty in the rural inland areas, which contrasts with rapid development along its coastal regions. The District has been proactive in developing Enterprise iLembe, a broad-based institution aimed at facilitating local economic development in response to its challenges of high rates of unemployment and correspondingly high levels of poverty.

1.3.1.1 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

According to Statistics South Africa, the population of the iLembe District Municipality is at 657 612 people. In order to service the increasing population, the District Municipality functions are indicated on the table below:

District Powers & Functions (Chapter 7, Section 156 Of Constitution)	*Currently performed*	
	YES	*NO*
1. ***Integrated Development Planning***	✓	
2. ***Bulk Water***	✓	
3. ***Bulk Electricity***		✓
4. ***Bulk Sewerage Purification***	✓	
5. ***Solid Waste Disposal***		✓
6. ***District Roads***		✓
7. ***Regulating Passenger Transport***		✓
8. ***Airports Serving District***		✓
9. ***Health Services***	✓	
10. ***Fire Fighting***		✓
11. ***Control Fresh produce markets & abattoirs***		✓
12. ***Cemeteries & Crematoria***		✓

13.	*Tourism*	✓	
14.	*Public Works relating to the above*	✓	
15.	*Grants-receiving & distributing*	✓	
16.	*Impose, Collect taxes &levies*	✓	
17.	*Disaster Management*	✓	
18.	*Accountability*	✓	
19.	*Community participation*	✓	
20.	*Financially & Environmentally sustainable service delivery*	✓	
21.	*Equitable Access to Municipal Services*	✓	
22.	*Local Economic development*	✓	
23.	*Gender Equity*	✓	
24.	*Safe and Healthy Environment*	✓	
25.	*Performance Management Systems*	✓	
26.	*Incremental Improvement*	✓	
27.	*Air Quality Management*	✓	
28.	*Responsible Financial Management*	✓	

Table 1: District Municipality Powers and Functions

1.3.2 ILEMBE DISTRICT MUNICIPALITY'S 5 YEAR STRATEGIC PLAN ALIGNED TO THE NATIONAL KPA'S AND PGDS

Section 25 of the Municipal Systems Act states that each municipal Council must, after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality. Considering this, iLembe District embarked on a process to review and refine its plans in the context of changing needs and new developments.

The table below illustrates iLembe's 5 Year strategic objectives aligned to the 14 National outcomes, PGDS and iLembe's DGDP, as follows:

(a) MUNICIPAL VISION

The current Council assumed office in **November 2021** after the local government elections and opted to develop a new vision as follows:

"By 2030 iLembe District Municipality will be a sustainable people-centred economic hub providing excellent services and quality of life"

KPA	Financial Viability And Management
OBJECTIVE	To ensure financial sustainability to meet the statutory requirements
KPA	Local Economic Development
OBJECTIVE	To maintain inclusive and sustainable economic growth
KPA	Cross Cutting
OBJECTIVE	To facilitate coordinated planning, development and environmental sustainability
KPA	Service Delivery
OBJECTIVES	To provide access to water and sanitation services
KPA	Municipal Transformation And Institutional Development
OBJECTIVES	To ensure the efficient administration and institutional development
KPA	Good Governance And Public Participation
OBJETCIVES	To ensure transparent good governance and regulatory compliance

Table 1: Strategic Objectives

KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT				
IDP REF.	NATIONAL OUTCOME	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
MTI01	*1: Capable, Ethical and Developmental State* *7: A Better Africa and World*	*1: Inclusive Economic Growth* *2: Human Resource Development*	Effective Governance, Policy and Social Partnerships	To ensure the efficient administration and institutional development
KPA 2: LOCAL ECONOMIC DEVELOPMENT				
IDP REF.	NATIONAL OUTCOME	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
LED01	*2: Economic Transformation and Job Creation*	*1: Inclusive economic growth* *3: Human & Community Development*	A diverse and growing economy, promote social well-being	To maintain inclusive and sustainable economic growth.
KPA 3: BASIC SERVICE DELIVERY				
IDP REF.	NATIONAL OUTCOME	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE

BS01	*4: Consolidating the Social Wage through Reliable and Quality Basic Services* *5: Spatial Integration, Human Settlements and Local Government*	*1: inclusive economic growth* *4: Strategic Infrastructure*	Equity of access A liveable region	To provide access to water and sanitation services
KPA 4: FINANCIAL VIABILITY & MANAGEMENT				
IDP REF.	**NATIONAL OUTCOME**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5 YEAR STRATEGIC OBJECTIVE**
FV01	*4: Consolidating the Social Wage through Reliable and Quality Basic Services* *7: A Better Africa and World*	*7: Governance and Policy*	Effective governance, policy and social partnerships	To ensure financial sustainability to meet the statutory requirements
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION				
IDP REF.	**NATIONAL OUTCOMES**	**PGDS GOALS**	**ILEMBE DGDP PRIORITY**	**5 YEAR STRATEGIC OBJECTIVE**
GP01	*1: Capable, Ethical and Developmental State* *3: Education, Skills and Health* *6: Social Cohesion and Safer Communities*	*7: Governance and Policy* *3: Human and Community Development*	Promote social well-being, effective governance, policy and social partnerships, and; a liveable region	To ensure transparent good governance and regulatory compliance
KPA 6: CROSS CUTTING				
IDP REF	**NATIONAL OUTCOME**	**PGDS**	**ILEMBE DGDP PRIORITY**	**4 YEAR STRATEGIC OBJECTIVE**
CC01	*3: Education, Skills and Health* *5: Spatial Integration, Human Settlements and Local Government* *7: A Better Africa and World*	*3: Human and Community Development* *4: Strategic Infrastructure* *5: Spatial Equity* *6: Environmental Sustainability*	Equity of access Promote social well-being, policy and social partnerships, and; a liveable region	To facilitate coordinated planning, development and environmental sustainability

Table 2 : Strategic Objectives

1.3.3 GOVERNMENT PRIORITIES

(a) SUSTAINABLE DEVELOPMENT GOALS (SDG)

At an International level, the Sustainable Development Goals are one of the many United Nations initiatives that guide constituencies on what standards to strive for in terms of people's needs, the environment and other important factors. They serve as a successor to the Millennium Development Goals. They include 17 goals and 169 targets that capture the global aspirations for sustainable development. The municipality's IDP is to some extent aligned with these goals that were adopted in September 2015. The National Development Plan and the Provincial Growth and Development Strategy, to which the iLembe IDP is aligned, have devised interventions that respond to the 17 goals. The current Council has developed this five-year IDP that include strategies on how the municipality will be contributing to each of the Sustainable Development Goals between 2017 and 2022. Chapters 3 and 6, contains strategies and projects that link to the SDGs as they appear in the figure below:



Figure 2: Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS	ILEMBE DISTRICT MUNICIPALITY RESPONSE
SDG 1: **End poverty in all its forms everywhere**	• SMME Support programmes by Enterprise iLembe • Operation Sukuma Sakhe interventions.

	• SCM policies amended to encourage local procurement
SDG 2: **End hunger, achieve food security and improved nutrition and promote sustainable agriculture**	Various agricultural projects implemented by Enterprise iLembe including: • Small scale farmer support • National Schools Nutrition Programme; and • Hydroponic Tunnel projects.
SDG 3: **Ensure healthy lives and promote wellbeing for all ages**	• Projects and programmes from the Department of Health included in Chapter 4; and • The municipality is implementing various sporting programmes aimed at youth, senior citizens and people with disabilities.
SDG 4: **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**	• Projects and programmes from the Department of Education included in Chapter 4 • Implementation of the municipal bursary policy.
SDG 5: **Achieve gender equality and empower all women and girls**	The municipality is implementing various gender equality programmes to empower women, such as: • Implementation of the Municipal Equity Plan • Take a Girl Child to Work Day initiative • Teenage Pregnancy Awareness Campaigns and • Women's Parliament. • SCM policies amended to encourage procurement from women owned companies
SDG 6: **Ensure availability and sustainable management of water and sanitation for all**	The municipality is implementing various water infrastructure projects to ensure availability of water, these are included in Chapter 4.
SDG 7: **Ensure access to affordable, reliable, sustainable and modern energy for all**	• Eskom projects under Chapter 4.
SDG 8: **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	• Enterprise iLembe programmes. • Infrastructure projects are implemented utilising EPWP principles
SDG 9: **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**	• Energy efficiency
SDG 10: **Reduce inequality within and among countries**	N/A

SDG 11: **Make cities and human settlements inclusive, safe, resilient and sustainable**	The municipality, through water and sanitation infrastructure projects is facilitating the establishment of sustainable human settlements.
SDG 12: **Ensure sustainable consumption and production patterns**	• The municipality is currently piloting a Recycling programme; and • Impiementation of an Integrated Waste Management Plan • Energy efficiency
SDG 13: **Take urgent action to combat climate change and its impacts**	The District Municipality has developed and adopted a Climate Change Response Strategy.
SDG 14: **Conserve and sustainably use the oceans, seas and marine resources for sustainable development**	The two coastal Local Municipalities, KwaDukuza and Mandeni have developed Coastal Management Plans.
SDG 15: **Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**	The District Municipality has adopted the Wetland Strategy and Action plan.
SDG 16: **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.**	The municipality has various measures in place such as: • Anti-Fraud and Corruption Policy and Strategy • A functional external audit committee • A functional risk management committee etc.
SDG 17: **Strengthen the means of implementation and revitalise the global partnership for sustainable development.**	The municipality has partnered with various international organisations, including SECO (Switzerland) and ICLEI on economic development and environmental management programmes, respectively.

TABLE 3: ILEMBE'S RESPONSE TO SDG'S

(b) MEDIUM TERM STRATEGIC FRAMEWORK

The 2012 NDP sets out a long-term vision for the country and provides a programme through which South Africa can advance radical economic transformation through development planning. The MTSF 2014 - 2019 outlined the plan and outcome-based

monitoring framework for implementing the NDP during the country's fifth democratic administration.

The current MTSF 2019-2024, which covers the five-year period from 2019 to 2024, outlines the implementation priorities across South Africa's national development priorities for the sixth administration. The South African government sees development planning as a means to achieve national development goals. Development planning is a result driven approach to promoting development objectives through setting measurable, high-impact targets linked to realistic implementation plans.

MTSF OUTCOMES	IDM RESPONSE
Priority 1: Capable, Ethical and Developmental State	• iLembe is implementing a number of programmes that foster social cohesion and nation-building, these include: • SALGA Games; • Golden Games; and • Cultural Celebrations (uMkhosi weLembe, Eid, Diwali, etc.).
Priority 2: Economic Transformation and Job Creation	• Department of Economic Development; • Department of Trade and Industry; and • Enterprise iLembe. • Various agricultural projects implemented by Enterprise iLembe, including: Small holdings farmer support; • National Schools Nutrition Programme; and • Hydroponic Tunnel projects.
Priority 3: Education, Skills and Health	• Department of Education • Projects and programmes from the department of health included in Chapter 4; and the municipality is implementing various sporting programmes aimed at youth, senior citizens and people with disabilities. • Projects and programmes from the department of Education included in Chapter 4; • Implementation of the municipality's Workplace Skills Plan; and • Implementation of the municipal Bursary Policy.

Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services	• Governance projects included in Chapter 3 and 6. • Projects and programmes by Eskom under Chapter; and • Water and Sanitation Projects by the municipality under Chapter 4 and 6.
Priority 5: Spatial Integration, Human Settlements and Local Government	• The municipality, through water and sanitation infrastructure projects is facilitating the establishment of sustainable human settlements. The Implementation plan contained in Chapter 6.
Priority 6: Social Cohesion and Safer Communities	• Special projects that are included in Chapter 3. • South African Police Service
Priority 7: A Better Africa and World	All Government Departments. The Municipality has concluded the following Environmental plans: The Environmental Management Framework; Wetland Assessment Report; and Coastal Management Programmes (Mandeni and KwaDukuza).

TABLE 4: ILEMBE'S RESPONSE TO THE 14 NATIONAL OUTCOMES

(c) RESPONDING TO IMPACTS OF CLIMATE CHANGE

As part of the implementation of the 2014 District Climate Change resolutions the District is implementing the following projects:

PROJECT NAME	PURPOSE	DURATION
District Climate Response Plan	To identify vulnerable sectors to climate change impacts and developing programmes as interventions	Completed
Technological need assessment	Identify a list of technologies for the water (adaptation) and energy (mitigation) sector	Completed
Recycling programme	To promote recycling within the municipal offices	on-going

TABLE 6: PROGRAMMES RESPONDING TO CLIMATE CHANGE

(d) DISTRICT DEVELOPMENT MODEL

The District Development Model (DDM) promotes a One-Plan, One-Budget Intergovernmental approach for Districts and Metropolitan area, which Cabinet approved in August 2019. DDM is a new integrated district-based intervention by

government to coordinate the delivery of services to communities. Joint and collaborative planning is undertaken at local, district, metropolitan and by all three spheres of governance resulting in a single strategically focused "One Plan".

The Model is firmly based on analysis of previous and current National, Provincial and Local level initiatives to improve the development of Local Government and IGR. Developmental change is shaped and owned at the district level in partnership with communities, citizens, and social partners.
The Political Hub adopted the comprehensive One plan on 15 December 2022. As a result, the final documentation consists of the following:

- The Comprehensive District Development Model
- The summary booklet version; and
- The database for Catalytic projects;

The adoption of the DDM Comprehensive One Plan was embedded in the compilation of Catalytic projects as key drivers to promote a One-Plan, One-Budget Intergovernmental approach.
Whilst the reporting at DDM structures is provided for by iLembe DM, the management and coordination of project databases is the responsibility of local municipalities. The responsible Directors for Economic Development and Planning (EDP) in the local municipalities are assigned as the key driver of the catalytic projects in the respective municipalities

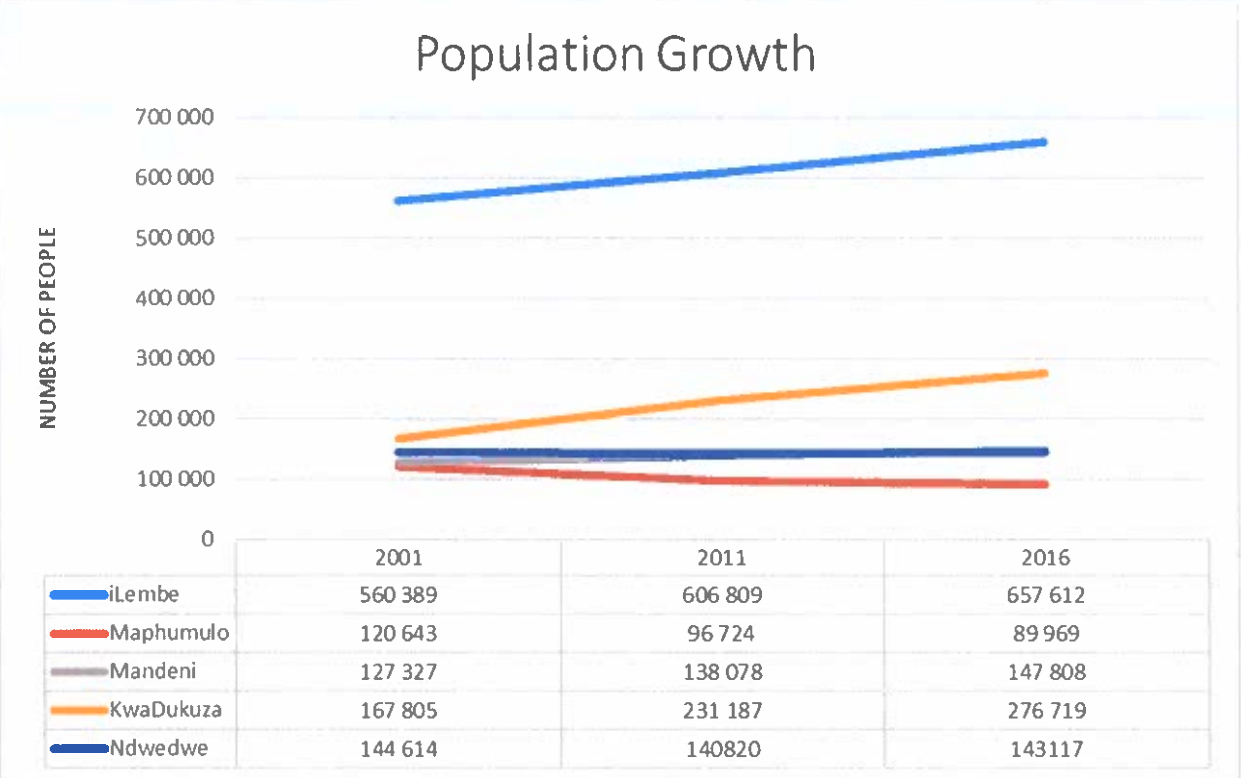
(e) DEMOGRAPHIC CHARACTERISTICS

The Statistics SA Census data for 2001 and 2011 and the results of the 2016 Community Survey have been used for the demographic and the economic information in this section.

(f) POPULATION AND HOUSEHOLD PROFILES

The recent Community Survey (2016) results show that the population in iLembe District has grown to 657,612 people and has been growing at 1.7% per annum from 2011 to 2016, this is shown in the graph and tables below. In contrast to the previous comparison of 2001 and 2011 results, where both rural municipalities of the district (Maphumulo and Ndwedwe) were seen to have a decrease in population, Ndwedwe

is now experiencing an increase but Maphumulo remains on a downward trajectory as portrayed below. Table 3 further depicts how the rate of population growth has increased per annum in three of the four local municipalities of iLembe, the overall growth rate having increased from 0.8% per annum to 1.7% per annum.



	2001	2011	2016
iLembe	560 389	606 809	657 612
Maphumulo	120 643	96 724	89 969
Mandeni	127 327	138 078	147 808
KwaDukuza	167 805	231 187	276 719
Ndwedwe	144 614	140820	143117

GRAPH 1: POPULATION GROWTH 2001 TO 2016

STATISTICS SA CENSUS 2001, 2011 & COMMUNITY SURVEY 2016

Municipality	Population Growth (% p.a. 2001-2011)	Population growth (% p.a. 2011-2016)
iLembe District	0.80	1.7%
Maphumulo	-2.21	-7%
Mandeni	0.81	1.4%
KwaDukuza	3.20	3.9%
Ndwedwe	-0.27	0.3%

TABLE 5: POPULATION GROWTH COMPARISON

STATISTICS SA CENSUS, 2011 & COMMUNITY SURVEY 2016

According to the Community Survey 2016, the number of households within iLembe District has risen to 191,369 from 157,692 in 2011 and is now growing at 4.3% per

annum. Households in KwaDukuza have grown at a fairly rapid rate of 6.0% per annum; despite a further decline in the population, the number of households in Maphumulo has risen slightly. One could speculate that the decline in population but with an apparent increase in number of households may be due to further decrease in the average size of households. As per the Community Survey 2016, the average household size in the District has decreased from 3.8 to 3.4 and the percentage of female headed households has risen from 45.8% to 47.1% which is above the national average of 41%.

Municipality	Number (2016)	Household Growth (% p.a.) (2016)	Average Size (2016)	Female Headed % (2016)	Child Headed (2011)	
					Number	%
iLembe	191,369	4.3%	3.4	47.1	614	0.4%
Maphumulo	20,524	0.6%	4.4	61.6	115	0.6%
Mandeni	45,678	3.9%	3.2	51.1	167	0.4%
KwaDukuza	91,284	6.0%	3.0	39.1	113	0.2%
Ndwedwe	33,883	3.2%	4.2	54.6	218	0.7%

TABLE 6: HOUSEHOLD STATISTICS

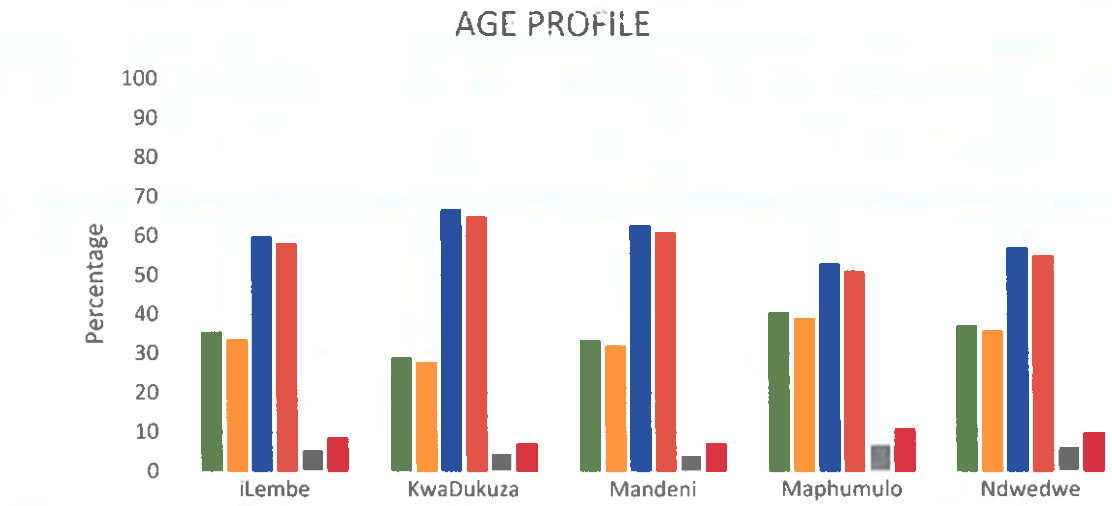
STATISTICS SA CENSUS, 2011 & COMMUNITY SURVEY, 2016

It is noted that the above population and household statistics fluctuations are implications of the socio-economic conditions prevalent in the different localities of iLembe. Further analyses the status quo of the economies of the different local municipalities, levels of poverty, employment/unemployment and also gives a view on what has been done to stimulate growth, especially in the field of LED.

(g) AGE PROFILES

The graph below provides an indication of the age distribution within the district as recorded in 2011, compared with the results of the 2016 Community Survey. Within iLembe, 35,5% of the population is under the age of 15, KwaDukuza has the lowest percentage 29% and Maphumulo has the highest percentage of the population under 15 years at 40%. Throughout the district, it seems that all age groups under 65 years have decreased in percentage whilst the percentage of the age group of 65+ has risen. Compared to the other Local Municipalities of the district, KwaDukuza has the highest percentage of the working age group at 66, 7% whilst Maphumulo has the lowest at 52,9%. The majority of people within the District are of working age, however the

available employment opportunities are not adequate to absorb this high number- this will be further elaborated upon in the employment profile.



	iLembe	KwaDukuza	Mandeni	Maphumulo	Ndwedwe
2011 - <15	35.5	29	33.5	40.6	37.1
2016 - <15	33.8	28	32	39	36
2011 - 15 to 64	59.8	66.7	62.6	52.9	56.9
2016 - 15 to 64	58	65	61	51	55
2011 - 65 <	5.2	4.3	3.9	6.5	6
2016 - 65 <	8.8	7	7	11	10

GRAPH 2: AGE PROFILE

STATISTICS SA CENSUS, 2011 AND COMMUNITY SURVEY 2016

(h) GENDER PROFILES

The gender profile of the iLembe District population is typical of the trend prevalent throughout other district municipalities in KZN meaning that there is a greater number of females (341,926) residing in the area compared to males (315,686). Although the population has increased, according to the Community Survey of 2016, the gender ratio remains the same as previously highlighted in the 2011 Census.

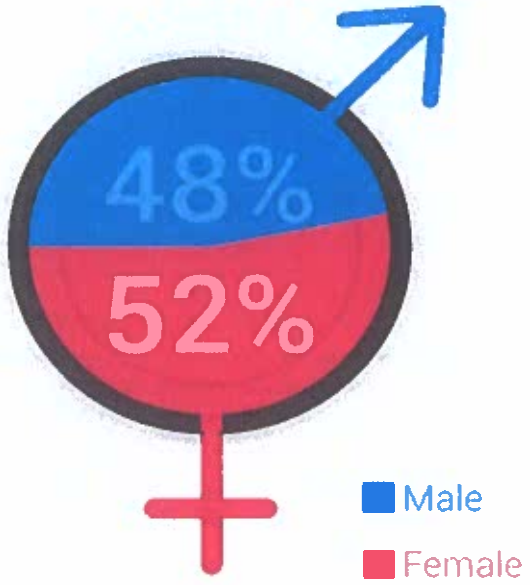
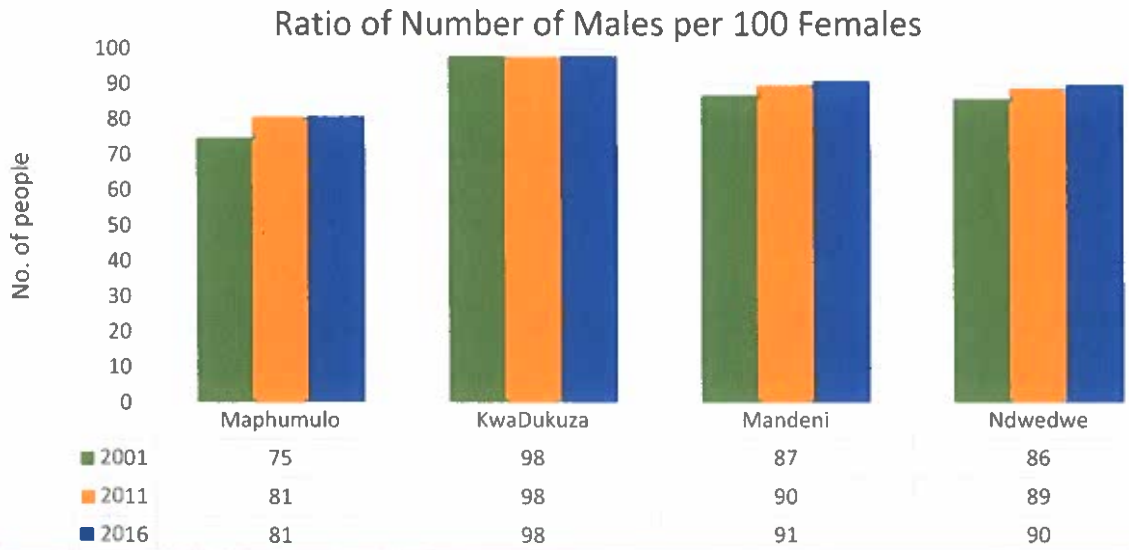


FIGURE 3 : DISTRICT GENDER PROFILE

STATISTICS SA CENSUS, 2011 AND COMMUNITY SURVEY, 2016

(i) SEX RATIO (MALES PER 100 FEMALES)

The graph below displays the gender distribution within local municipalities. In iLembe, for every 100 females there are 92 males. KwaDukuza is the most even at almost an equal split between gender groups, whereas Maphumulo is the most uneven with only 81 males for every 100 females.

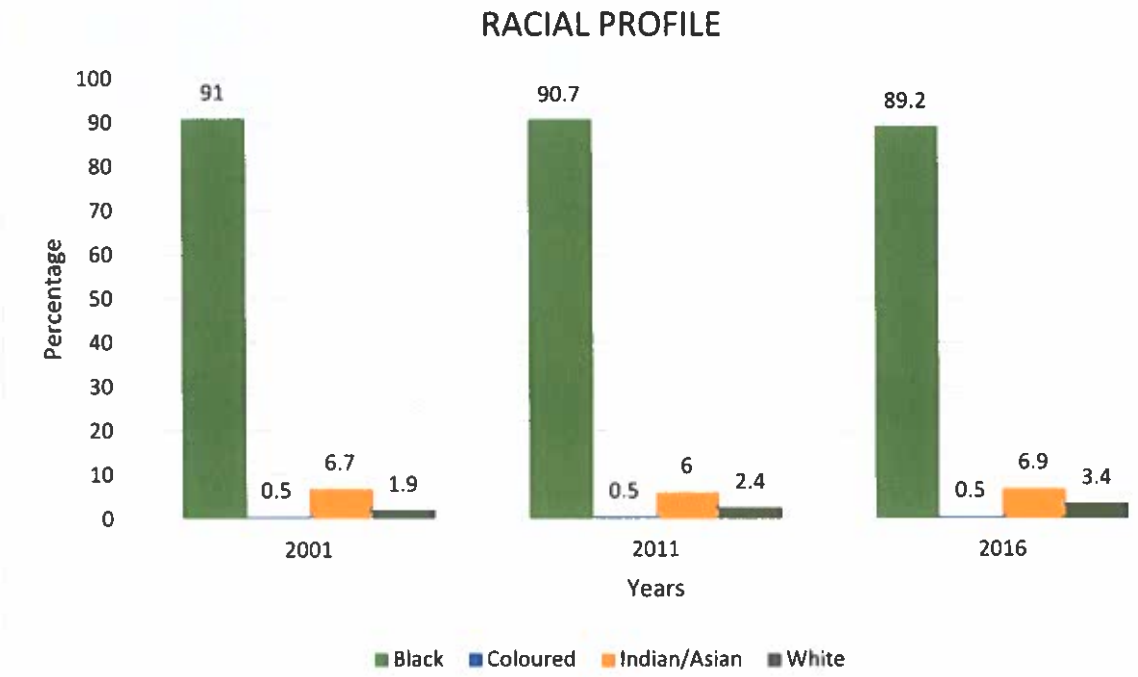


GRAPH 3: ILEMBE GENDER PROFILE

STATISTICS *SA CENSUS, 2001, 2011 & 2016*

(j) RACIAL PROFILE

The graph below displays the split of the population of the district by population group from 2001 to 2016. Within the District, the percentage of Black people has shown a slight decrease as the graph depicts that in 2001 the percentage was 91% and at present it is 89, 2% whilst the percentage of White people is steadily increasing from 1, 9 % in 2001 to 3.4% in 2016. Between 2001 and 2011 the Asian population declined slightly, however between 2011 and 2016, the percentage has shown an increase from 6 to 6.9%. The Coloured population remains constant at 0.5% of the population of iLembe District.



GRAPH 4: RACIAL PROFILE

STATISTICS SA CENSUS, 2001 & 2011 AND COMMUNITY SURVEY 2016

In considering the graph above, it is apparent that iLembe is dominated by different races of people who subscribe to different customs and beliefs. iLembe as an institution supports cultural events that take place within the District as part of promoting nation building and social cohesion, programs.

2.1. COMPONENT A: GOVERNANCE STRUCTURE

2.1.1 POLITICAL GOVERNANCE STRUCTURES

iLembe District Municipality's council operates under the collective executive system. In terms of Section 42 of the Local Government: Municipal Structures Act, 1998 the Council has established an Executive Committee consisting of six (6) Councillors. The Council has also established the following Portfolio Committees to assist the Executive Committee: -

- Economic Development, Planning Health and Safety Portfolio Committee;
- Infrastructure and Technical Portfolio Committee;
- Finance Portfolio Committee; as well as the
- Local Public Administration and Labour Relations Portfolio Committee.

Each of these committees is established in terms of the Section 80 of the Municipal Structures Act to assist the Executive Committee (EXCO). These committees deliberate on matters that fall within the specific terms of references of that particular committee and make recommendations to the Executive committee for approval or where necessary for endorsement by the executive committee for final
approval by the full council.

There are delegations in place for the operations of the EXCO with the exception of the power's provided to council in terms of Section 160(2) of the constitution of the republic of South Africa, 1996. The District EXCO can only make recommendation for approval of such matters.

To assist in performing the oversight role, iLembe District Municipality has also appointed the following committees:

i. Audit Committee in accordance with the Municipal Finance Management Act 56, of 2003 section 166, and operates within the terms of the Audit Committee Charter, which outlines its modus operandi. The Audit

Committee charter is approved by the Council of iLembe District Municipality.

ii. A Municipal Public Accounts Committee. The Committee consists of six (6) Councillors of the Municipality, who are not members of the Executive Committee. The Chairperson of the Committee is appointed by the Council. The functions of the Committee include the examination of the annual report of the Council and the development of the annual oversight report based on the annual report. The annual oversight report is published separately from the annual report.

2.1.1.1 POLITICAL GOVERNANCE STRUCTURE



His Worship The Mayor Cllr T.P Shandu

Hon Deputy Mayor Cllr J.G Van Whye

Hon. Speaker Cllr M.D Shandu

2.1.1.2 EXECUTIVE COMMITTEE

No.	Surname and name	Gender	Designation	Party Affiliation
1.	Cllr TP Shandu	M	Mayor	ANC
2.	Cllr JG Van Whye	M	Deputy Mayor	ANC
3.	Cllr BD Dlamini	M	Exco Member	ANC
4.	Cllr HLB Makatha	F	Exco Member	ANC
5.	Cllr CM Ngcobo	M	Exco Member	IFP
6.	Cllr NS Ncube	M	Exco Member	IFP
7.	Cllr MM Mthiyane	M	Exco Member	EFF

2.1.1.3 COUNCILLORS

iLembe District Municipality comprised of a total of **35** Councillors of which **22** were Ward nominated Councillors and the other **13** are Proportionally Representative (PR) Councillors. Council continues to operate on an Executive Committee System. In respect of the PR Councillors, there were **(8) males** and **(5) female** Councillors. The gender composition on the Ward Councillors is **(8) females** and **(10) males**. Overall there are **(15) female** Councillors and **(20)** male Councillors.

Political Parties are represented as follows in the iLembe District Municipality Council:

PARTY	PR SEATS	NOMINATED COUNCILLORS	TOTAL
African National Congress	7	17	24
Inkatha Freedom Party	3	4	7
Democratic Alliance	1	1	2
National Freedom Party	0	0	0
Economic Freedom Fighters	1	3	4
Action SA	1	1	2
TOTAL			**35**

2.1.1.4 ILEMBE DISTRICT MUNICIPALITY COUNCILLORS

(a) PROPORTIONAL REPRESENTATION LISTS

(i) AFRICAN NATIONAL CONGRESS

NO.	NAMES	SURNAME	GENDER
1	Thobani Philani	Shandu	M
2	Monitha Dolly	Shandu	F
3	James Gabangani	Van Whye	M
4	Sandeep	Oudhram	M
5	Bhekamaswazi Doctor	Dlamini	M
6	Hlengiwe Beatrice	Makatha	F
7	Jennifer	Vallan	F

(ii) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Ngcobo	Christopher Mbuyiseni	M
2	Cele	Solomon Sphiwe	M
3.	Mbuyazi	Thabisile Brightness	F

(iii) DEMOCRATIC ALLIANCE

NO.	SURNAME	NAMES	GENDER
1	Sing	Krsna	M

(iv) ECONOMIC FREEDOM FIGHTERS

NO.	SURNAME	NAMES	GENDER
1	Mthiyane	Mxolisi Maxwell	M

(v) ACTION SA

NO.	SURNAME	NAMES	GENDER
1	Sewraj	Annet Elizabeth	F

2.1.1.5 NOMINATED COUNCILLORS: KWADUKUZA MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1	Mwandla	Virginia	F
2	Sithole	Sicelo	M
3.	Dube	Thubelihle Trueman	M

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1	Magwaza	Joyce Fikile	F

(c) DEMOCRATIC ALLIANCE

NO.	SURNAME	NAMES	GENDER
1.	Singh	Nerish Ameer	M

2.1.1.6 NOMINATED COUNCILLORS: NDWEDWE MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1.	Ndlovu	Mandla Leonard	M
2.	Bhengu	Sithabiso	M
3.	Ngwane	Zinhle Promise	F

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Shangase	Vukani Christopher	M

2.1.1.7 NOMINATED COUNCILLORS: MAPHUMULO MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1.	Khoza	Monica	F

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Ngidi	Nomzamo Ntombifikile	F
2.	Mhlongo	Nqobile Mhlonipheni	M

2.1.1.8 NOMINATED COUNCILLORS: MANDENI MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1.	Dladla	Nhlanhla Oswald	M
2.	Mkhaliphi	Mzwakhe Cornwell	M
3.	Mthembu	Caroline Lungile	F

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Ncube	Nduduzo Sibusiso	M

2.1.1.9 TYPE OF COMMITTEE AND NUMBER OF MEMBERS

COMMITEEE	NUMBER OF COUNCILLORS	NUMBER OF VACANCIES

Executive committee	7	None
Finance Portfolio Committee	7	None
Economic Development and Planning Portfolio Committee	7	None
Local Public Administration and Labour Relations Committee	7	None
Infrastructure & Technical Portfolio Committee	7	None
Youth Sub Committee	5	None
Gender Sub Committee	6	None
MPAC	5	None
Local Labour Forum	7	None
Rules Committee	5	None
Audit Committee Performance Evaluation Committee	5	None

2.1.1.10 COMMITTEE ALLOCATIONS

No.	Committee	Councillors
1	**Finance Portfolio Committee**	
	Cllr T.P Shandu	Chairperson
	(i) Cllr: S Oudhram (ii) Cllr MH Khoza (iii) Cllr ZP Ngwane (iv) Cllr. VC Shangase (v) Cllr CM Ngcobo (vi) Cllr NH Khuzwayo	
2.	**Economic Development, Planning Health and Safety Portfolio Committee**	
	Cllr HLB Makatha	Chairperson
	(i) Cllr TT Dube (ii) Cllr S. Mthiyane (iii) Cllr ZP Ngwane (iv) Cllr VC Shangase (v) Cllr TB Mbuyazi (vi) Cllr MC Shangase	
3.	**Local Public Administration and Labour Relations Committee**	
	Cllr BD Dlamini	Chairperson

	(i) Cllr TT Dube (ii) Cllr. S Sithole (iii) Cllr S Bhengu (iv) Cllr. NM Mhlongo (v) Cllr K Singh (vi) Cllr MC Khanyile	
4.	**Infrastructure & Technical Portfolio Committee**	
	Cllr J.G Van Whye	Chairperson
	(i) Cllr CL Mthembu (ii) Cllr MH Khoza (iii) Cllr ML Ndlovu (iv) Cllr CM Ngcobo (v) Cllr SSPP Cele (vi) Cllr NJ Mbonambi	

2.1.1.11 SUB COMMITEES

No	Sub Committee	Councillors
1.	**2.1.1.11.1 YOUTH SUB COMMITTEE**	
	Cllr S Sithole	Chairperson
	(i) Cllr NO Dladla (ii) Cllr S Bhengu (iii) Cllr NM Mhlongo (iv) Cllr N Singh	
2.	**2.1.1.11.2 GENDER SUB COMMITTEE**	
	Cllr M.H Khoza	Chairperson
	(i) Cllr CL Mthembu (ii) Cllr ZP Ngwane (iii) Cllr AE Sewraj (iv) Cllr NJ Mbonambi (v) Cllr TB Mbuyazi	
3.	**2.1.1.11.3 MUNIPAL PUBLIC ACCOUNTS**	
	Cllr J.A Vallan	Chairperson
	(i) Cllr MC Mkhaliphi (ii) Cllr NO Dladla (iii) Cllr NJ Mbonambi (iv) Cllr SSPP Cele	

4.	**2.1.1.11.4 LOCAL LABOUR FORUM**	
	Cllr B.D Dlamini	Chairperson
	(i) Cllr TT Dube (ii) Cllr. S Sithole (iii) Cllr S Bhengu (iv) Cllr. NM Mhlongo (v) Cllr K Singh (vi) Cllr MC Khanyile	
	2.1.1.11.5 RULES COMMITTEE	
	Cllr T.T Dube	Chairperson
	(i) Cllr V Mwandla (ii) Cllr TT Mkhize (iii) Cllr S Zungu (iv) Cllr MC Shangase	
6.	**2.1.1.11.6 AUDIT COMMITTEE- PERFORMANCE EVALUATION COMMITTEE**	
	Cllr S Oudhram	Chairperson
	(i) Cllr S Sithole (ii) Cllr NO Dladla (iii) Cllr TB Mbuyazi (iv) NH Khuzwayo	

2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

2.1.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

During the period under review (2022/23 Financial year): According to the MFMA 60(b): The Municipal Manager of iLembe District Municipality is the accounting officer of the municipality for the purposes of this Act and provides guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality, namely Enterprise iLembe.

iLembe District Municipality has well-established organizational structure and systems in place. The structure that was in place as at 30 June 2017 was appropriate for the developmental local government mandate assigned to the District Municipality in terms of the Municipal Structures Act, 1998. The Municipality's organisational structure provides for four Directorates that are managed by the Municipal Manager.

The District Municipality has four Directorates with senior management per directorate, which are:

Name and Surname	Position
Mr S. Mbhele	Municipal Manager
Mr M Chandulal (Resigned on 28 February 2023)	Chief Financial Officer: Department of Finance
Mr T. Makhoba (Contract Terminated on 31 October 2022)	Senior Manager: Department of Corporate Services
Ms Z. Mdlazi (Resigned on 31 July 2022)	Senior Manager: Department of Community Services
Ms C Mbola	Senior Manager: Department of Technical Services

2.2 COMPONENT B: ILEMBE DISTRICT INTERGOVERNMENTAL RELATIONS

There are various Provincial Intergovernmental fora in which the District Mayor sits and represents the District family of Municipalities. There is a Premier's Coordinating Forum which constitutes of MECs, the Mayors, Heads of Departments as well as the Municipal Managers that is chaired by the Provincial Premier. This Forum meets on a quarterly basis and has a sub-structure chaired by the MEC COGTA called the MUNIMEC which is constituted by the all the KZN Mayors, Municipal Managers, Heads of Departments as well as the SALGA representative. This sub-structure meets quarterly prior the meeting of the Premiers Coordinating Forum.

In view of the interdependence of all spheres of government, we continue to participate in various platforms to promote **Inter-Governmental relations** through the **District Development Model (DDM)**. DDM is an operational model for improved Cooperative Governance.

DDM structures have been formulated to align and integrate with the IGR structures at national, provincial and district levels. At a district level, there are DDM structures where all municipalities and sector departments within the iLembe District are

represented, and meet to ensure that all resolutions taken are implemented respectively.

(i) DDM Structures: (Quarterly)

- Political Hub chaired by the District Mayor;
- Technical Hub chaired by the District Municipal Manager; and
- Public Participation & Communications chaired by the District Speaker

(ii) Developed Clusters: (Bi-monthly)

- Social Cluster which is chaired by the Mayor of Ndwedwe LM
- Economic Cluster which is chaired by the Mayor of KwaDukuza LM
- Governance Cluster which is chaired by the Mayor of Maphumulo LM
- Security Cluster which is chaired by the Mayor of Mandeni LM

The District Municipality plays a coordinating role at the request of the Local Municipalities to source assistance and interventions to mitigate challenges experienced by Local Municipalities.

The District Political Hub constituted by the Mayors, National Champion, MEC Champion, Chairperson of the Local House, Speakers, Municipal Managers, Sector Departments and Civil Society in the district, plays a monitoring and oversight role over iLembe Family of municipalities. The Political Hub also plays an oversight role on the Technical Hub. It meets quarterly to discuss issues of mutual interest, and ensures that all three spheres of government are operating in unison thus enabling coherent, seamless and sustainable service delivery and development with integrated impact on the quality of life and quality of living spaces at municipal level.

Furthermore, the Political Hub oversees the development and approval of ONE PLAN and ONE BUDGET, thus promoting greater accountability. The Political Hub ensures inclusion of community needs and closer monitoring of government by community through active engagement with Operation Sukuma Sakhe (OSS) structures. Since the launch of the District Development Model in 2020 by the Minister of COGTA, Dr Nkosazana Dlamini-Zuma, all district DDM structures are functional.

Other IGR District Sub-For a that remain functional, consisting of relevant stakeholders from all three spheres of government, government agencies, private entities and Amakhosi include the following:

NO.	NAME OF THE FORUM	MEETING FREQUENCY	CHAIRPERSON	FUNCTIONAL
1.	DAFF: DISTRICT AREA FINANCIAL FORUM (CFOs) A Sub-committee to deal with the issues of Asset Management in the District was established under DAFF in 2015/2016	Quarterly	Municipal Manager of Ndwedwe local Municipality – IDM CFO	Functional
3.	DISTRICT GOVERNMENT IT OFFICERS COMMITTEE (DGITOC)	Quarterly	Municipal Manager of iLembe District Municipality – IDM ICT Manager	Functional
4.	DISASTER MANAGEMENT ADVISORY FORUM (DMAF)	Quarterly	Municipal Manager of KwaDukuza Local Municipality – IDM Disaster Manager	Functional
5.	PERFORMANCE MANAGEMENT SYSTEM FORUM (PMSF)	Quarterly	Municipal Manager of iLembe District Municipality – IDM PMS Manager	Functional
6.	LOCAL ECONOMIC DEVELOPMENT FORUM (LEDF)	Bi-Monthly	Municipal Manager of Mandeni Local Municipality – Enterprise iLembe CEO	Functional
7.	DISTRICT COMMUNICATORS FORUM (DCF)	Monthly	Municipal Manager of Ndwedwe Local Municipality – IDM Communications Manager	Functional
8.	PLANNING AND DEVELOPMENT FORUM (PDF)	Monthly	Municipal Manager of Mandeni Local Municipality – IDM Planning Manager	Functional
9.	INFRASTRUCTURE FORUM (IF)	Bi-Monthly	Municipal Manager of KwaDukuza Local	Functional

			Municipality – IDM Senior Manager: Technical Services	
10.	CORPORATE SERVICES FORUM	Quarterly	Municipal Manager of Maphumulo Local Municipality – IDM Senior Manager : Corporate Services	Functional
11.	COMMUNICATION AND PUBLIC PARTICIPATION FORUM	Quarterly	District Speaker	Functional
12.	INTERNAL AUDITORS FORUM	Quarterly	Municipal Manager of Maphumulo Local Municipality – IDM Manager: Internal Audit	Moderately Functional
13.	ENTERPRISE RISK MANAGEMENT FORUM	Quarterly	Municipal Manager of iLembe District Municipality – IDM Enterprise Risk Management Manager	Functional
14.	DISTRICT AIDS COUNCIL	Quarterly	District Mayor	Functional

2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public participation is an integral part of local democracy and participatory local governance and that the involvement of communities and community organisations in the matters of local government is one of the objects of local government.

COMMUNICATION, PUBLIC PARTICIPATION AND RELATED FORUMS

The following are the public participation and communication structures and mechanism that exists within the iLembe District Municipality:

(A) DISTRICT COMMUNICATORS' FORUM (DCF)

Government communication is a strategic and planned process that is aimed at ensuring effective dialogue between government and the communities. The

constitution of the Republic of South Africa, 1996, contains a number of sections which set the tone for local government communications. These include, Sections 152(1) e; Section 160(7); Section 126(3); Municipal Systems Act, 2000; Promotion of Access to Information, 2000 and the Intergovernmental Relations Framework Act, 2005.

Communications has a role of creating messages that harmonise the political and the administrative arms of government. Communication is a strategic function that ensures the public receives information about municipal policies, programmes and services. The District Communicator's Forum provides a platform for communicators within the district municipality to plan and identify communication opportunities across spheres of government through substantive discussions and joint planning to fulfil the government's commitment to accelerate service delivery to ensure a better life for all.

(i) Composition And Membership

The membership of DCF is open to all government communicators operating within the district. This includes:

- District Communications Manager – Chairperson of the Forum
- Communicators from the local municipalities
- Communicators or representatives of the sector departments with the iLembe District Municipalities
- COGTA
- GCIS
- Office of the KZN Premier

(ii) Strategic Objectives of the DCF

The objectives of the DCF are as follows:

- To foster a more positive communication environment among a family of municipalities, sector departments and relevant stakeholders within the district municipality;
- To foster integrated communication;
- To ensure a coherent and effective interaction between the District Municipality and its targeted audience;
- To ensure that citizens of the district participate in the decision-making processes;

- To ensure and promote the development of coordinated, integrated and sustainable programme of communications in the district;
- To ensure maximum administrative and operational effectiveness and efficiency of all communication programmes in the district; and
- To support the political leadership across the family of municipalities in its pursuit to deliver basic services and development.

In relation to the communications and imparting the municipal information to the public, the Communication Sub-directorate in the iLembe District Municipality manages the flow of communication from/ to the organization, media and broader communities. It is also responsible for attending to the information needs with respect to the Web site of the Municipality, checking and approving the insertion of news items, articles and photographs. Legislated information in terms of Section 75 of the MFMA is also placed in the municipal website and updated as stipulated in the MFMA. This includes the following information: -

- That have been disposed of in terms of section 14(2) or (4) during the previous quarter;
- Performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;
- All supply chain management contracts above a prescribed value;
- Public-private partnership agreements referred to in section 120 of the MFMA;
- The annual and adjustments budgets and all budget-related documents and all budget-related policies;
- All service delivery agreements;
- All long-term borrowing contracts;
- An information statement containing a list of assets over a prescribed value
- Contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
- The Annual Report; and

- All quarterly reports tabled in the council in terms of section 52*(d)*; and other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

(B) COMMUNICATION AND PUBLIC PARTICIPATION CLUSTER

(i) Composition and Membership

The membership of Communication and Public Participation Cluster is formed as follows:

- the Speaker of iLembe District Municipality (Chairperson);
- the Speakers of all Local Municipalities;
- Communicators and public participation officials from the local municipalities;
- Communicators of the sector departments with the iLembe District Municipalities;
- COGTA;
- GCIS; and
- Office of the KZN Premier

(ii) Strategic Objectives of The Communication and Public Participation Cluster

The main objective of the Communication and Public Participation Cluster is to promote and facilitate intergovernmental relations, cooperative government and share cultures of initiatives between the iLembe District Municipality and the Local Municipalities, including:

- To seek unity of purpose and co-ordination of effort around the programmes championed in the office of the Speaker in the broader District;
- To ensure effective and efficient coordinated Community / Public Participation within the District.
- To develop and implement communication strategies for municipalities to communicate service delivery issues to the communities;
- To support the District Command Council on planning and implementing communication activities;

- Provide ongoing communication to all iLembe communities of service delivery; and
- To develop and implement the public participation strategies

The Forum meets quarterly and additional or special meetings are called when and as the need may arise by the Chairperson or as per request by any member of the Forum through the Chairperson. The Speaker's forum is functioning and various sector departments and stakeholders are invited at these meeting to provide detailed information on programme that will impact public participation in the district.

(C) OTHER STRUCTURES THAT ARE UTILISED TO ENHANCE / IMPROVE COMMUNICATION AND PUBLIC PARTICIPATION

(i) Community Development Workers (CDW's)

iLembe District Municipality has total of **seventy-nine (79)** wards and with only **thirty-seven (37) CDWs** to service these wards. This is a challenge because a large number of wards are not benefiting from the services that are provided by the CDWs especially when it comes to household profiling and identification of urgent service delivery cases under the auspices of Operation Sukuma Sakhe as well as cascading of information to the people. Another challenge is that the CDWs are not available to provide support to the municipalities because of other commitments that they have from COGTA.

(ii) TRADITIONAL LEADERSHIP

iLembe District Municipality has a total of **thirty-five (35)** Amakhosi with **one (1)** vacancy in Maphumulo Local Municipality. The new District Traditional House was reinstituted in year June 2022, and Inkosi NA Bhengu was re-elected as the chairperson and is still the member of the provincial house of traditional leadership in KwaZulu Natal. There is a healthy working relationship between the Local Traditional House and the iLembe District Municipality. Amakhosi are invited in community activities that are happening in their areas and district activities that will have impact in service delivery in their areas. These activities include IDP Public Participation meetings, conferences and seminars, to mention a few. Presentations on matters of Council are also periodically made at the seating of the iLembe District Traditional

Council and tribal Councils on request. In November 2017, a meeting between Amakhosi and councillors was held with an aim to strengthen relations and this proved to be very fruitful because communication has been enhanced. In this regard, the councillors and Amakhosi meet on a quarterly basis to discuss service delivery issues, ie, projects and programmes that are happening in the areas of traditional leaders.

The implementation of Section 81 of the Municipal Structures Act is fully implemented and Amakhosi serving in the various Councils are fully integrated in terms of portfolio committee allocation. However, there are challenges in term of attendance by Amakhosi to these meetings. Ongoing engagements are held in order to address issues that affect their attendance.

(iii) WARD COMMITTEES

All the wards within iLembe District Municipalities have elected Ward Committees. They have all been inducted and have been provided with training to capacitate them to be able to facilitate service delivery issues in their areas. The ward Committees in the district are largely functional with the support they receive from local municipalities and the district municipality. However, there are challenges that are being experienced by the local municipalities as they engage with the Ward Committees:

- Some Ward Committee Members drop out because they receive better jobs elsewhere which leave a vacuum in the committees. The process of replacing them sometimes delay;
- Some members are demotivated because they feel that the remuneration that they receive from the municipalities is too little as compared to the amount of work that they are engaged with. iLembe District Municipality provides travel costs if they are invited to district meetings.

iLembe District Municipality is not responsible for the Ward Committees but gets to access the Ward Committees through the local municipalities. The Ward Committees form part of the IDP Representative Forum and they are engaged during the planning and facilitation meetings.

(D) MUNICIPAL RAPID RESPONSE TEAM (MRRT)

In the recent past KZN has seen a sharp increase of service delivery protests. The communities continue to believe that their needs will be better addressed only when they take it to the streets. Addressing the triple challenges of poverty, unemployment and inequality can assist in alleviating the spate of service delivery protests. The KZN's government approach, in dealing with service delivery protests, is more proactive rather than reactive. It includes three pillars detailed as follows:

- A well informed community is less likely to protest. This includes countering deliberate misinformation of communities;
- Early alert systems; and
- Stakeholder engagement.

In this regard, all municipalities were requested by the KZN provincial government to establish Municipal Rapid Response Teams not exceeding seven members, of which the Speaker shall be the convener.

The responsibilities for the MRRT are as follows:

- To deal with service delivery dissatisfaction.
- To collect the Memorandum of complainants.
- To consult with the complainants to establish the facts in the contents of the Memorandum.

In May 2018, and in line with this request, iLembe District Municipality established the MRRT (MRRT), and it is formed by the following members:

- Speaker (Convener and Chairperson of IDM MMRT);
- Chairperson: Infrastructure and Technical Portfolio Committee;
- Chairperson: Finance Portfolio Committee;
- Chief Whip;
- Municipal Manager;
- Senior Manager: Technical Services;
- Senior Manager: Community Services;
- Chief Financial Officer;
- Manager: Disaster Risk Management;
- Manager: Communications;

- Manager: Revenue; and
- SAPS representative

The IDM MRRT has not been functional during the reporting period however, support is being received from COGTA to revitalize the MRRT and also align it with the Integrated Complaints Management System which is being managed by Enterprise Risk Management.

2.3.1 PUBLIC MEETINGS

iLembe District Municipality as a Water Services Authority will at any given point engage with local communities on water and sanitation issues. The purpose of these meetings, for an example, is to introduce new projects, engage the community on revenue matter and any other matters related to the services that are provided by the iLembe District Municipality. The iLembe also gets invited to meetings that are planned by the local municipalities to address challenges related to sanitation and water provision.

2.3.2. IDP AND ALIGNMENT

In relation to IDP meetings, the IDP Representative Forum meetings are convened where public representatives and sector departments are invited, and this platform is crucial to ensure stakeholder participation and alignment as the IDP process takes place. In addition, broader public engagements were held with the communities of the respective local municipalities to engage them on their needs and the approval of the budget. To ensure that the community is consulted for their input in the IDP, the public engagements and consultation happened through internet, mayoral media interviews and social media.

In this regard, the public consultations were held as follows:

NUMBER OF IDP AND BUDGET PUBLIC ENGAGEMENTS HELD DURING 2022/23 FINANCIAL YEAR		
MONTHS	**QUARTER**	**NUMBER OF MEETINGS**
July- September 2022	Q 1	0
October - December 2022	Q 2	5
January – March 2023	Q 3	0
April – June 2023	Q 4	5
Total No of Meetings	**10**	**10**

PUBLIC PARTICIPATION MEETINGS REQUESTED DURING 2022/23 FINANCIAL YEAR		
MONTHS	**QUARTER**	**NUMBER OF MEETINGS**
July – September 2022	Q 1	0
October – December 2022	Q 2	0
January - March 2023	Q 3	0
April – June 2023	Q 4	0
Total No of Requested Meetings		

2.4 COMPONENT D: CORPORATE GOVERNANCE

2.4.1 ENTERPRISE RISK MANAGEMENT (ERM)

(a) Introduction

Enterprise Risk Management (ERM) forms a critical part of iLembe District Municipality strategic management. It is the process whereby the iLembe District Municipality both methodically and intuitively addresses the risks attached to the strategic objectives and activities of the Municipality. The goal is to ensure the achievement of strategic objectives as well as the sustained benefit within each activity and across the portfolio of activities. ERM is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

(b) Risk Governance

(i) Risk Management Committee

The District Municipality has a Risk Management Committee which is made up of Senior Management and the Independent Chairperson. The RMC operates within a Risk Management Charter approved by the Executive Committee.

The Risk Management Committee is responsible for independent oversight and appropriate advice on the risk management process, mitigation of key risk exposure and the emerging risks that may have an impact on the District Municipality. The Committee's role is to guide the development and

implementation of Risk Management programme as well as to review and monitor Enterprise Risk management (ERM) process and outputs regularly.

Reporting and Communication

- Five (5) RMC meetings were held in the year 2022/23 with the Special meeting convening on the 20th of June 2023;
- The Risk Management Committee Chairperson reports to EXCO bi-annually on the progress in the implementation of Risk Management in the municipality;
- Four (4) quarterly reports were submitted to Audit Committee. Top Strategic risks as well as top Fraud, MSCOA, and ICT risks were reported quarterly to EXCO. Meanwhile the top Strategic, Operational, ICT, Fraud and MSCOA risks were reported to appropriate Portfolio Committees;
- Covid-19 risks identified and reported to Manco, Risk Management Committee, Audit Committee, EXCO, Council and the District Command Council;
- Issues pertaining to Business Continuity Management were reported to all Council structures and communicated to all relevant stakeholders including IGR structures.
- EXCO approved the Risk Management Implementation Plan for **2022/23**. This plan was implemented and monitored on a quarterly basis; and
- 87.50% of the activities on Risk Management Implementation plan was achieved.

(ii) Key Performance Highlights For 2022/23

- Council reviewed and approved the following ERM documents:
  - Risk Management Strategy, Policy and Framework,
  - Anti-Fraud and Corruption Strategy & Policy; and
  - Loss Prevention and Management Policy.
- Risk Management awareness workshops with Councillors, Management, Risk Champions, and Clerks were done;

- Gift, Donations and Sponsorship registers were completed and signed by staff and report submitted to MANCO, Risk Management Committee, Audit Committee and EXCO;
- Declarations of interest signed by Councillors, Senior Managers and Middle Managers and all SCM Officials as well as all officials;
- Risk Assessment for 2023/24 was done and Risk Registers were produced with **85** risks identified. (Strategic=**20,** Operational=**37**, ICT=**6** and Fraud Risks =**22**;
- Compliance monitoring and reporting in terms of the Laws and Regulation applicable to local government was done throughout the financial year;
- Quarterly Insurance Claims and Loss Control report monitoring were done throughout the financial year;
- Functional District Enterprise Risk Management Forum that reported to the Governance Cluster;
- Business Continuity Plan was reviewed by SNG through the Vuthela Programme. Business Continuity walkthrough testing was done as part of the programme, with the institution tracked on a quarterly basis in terms of disaster occurrences (with continuity also tested);
- **87,50 %** of the activities on the Risk Management Implementation plan were achieved;
- The overall achievement of the implementation of action plans during 2022/23 was **90,63 %;**
- Monitoring of operational plans to enhance revenue within the district was done;
- The progress on implementation of action plans was reported to Manco, Risk Management Committee, Portfolio Committees, EXCO and Audit Committee.

(ii) RISK MATURITY

In terms of the National Treasury risk maturity level that consists of 6 levels, iLembe District Municipality has achieved Level 4 – **INFORMATION** which means;

Risk management is firmly embedded in the institution. Metrics to measure the value-added of risk management are in place. Aggregated risk management

information is circulated to relevant officials and oversight structures as a matter of routine. Metrics are in place to measure and monitor the value of add of risk management. Risks provide intelligence with regard to decision making.

The ERM Unit in compliance with National Treasury isolate the relevant risk management components of the FMCMM and provide a simplified and consistent assessment methodology for institutions to determine their risk management maturity. Therefore, the assessment has been performed as per above cited deliberation. A system generated assessment report could not be attained due to ICT related technical anomalies with the National Treasury website hence the below narrated manual summary.

During 2022/23 financial year, iLembe District achieved maturity level of 4.6% which is made up of the following:

PERCENTAGE ACHIEVED	ASSESSMENT LEVELS
100%	Level 2
95%	Level 3
100%	Level 4
100%	Level 5

(c) TOP 5 RISKS FACING THE MUNICIPALITY IN 2022/23

(i) Strategic Risks:

- Sustainability of the Municipality is compromised due to low liquidity ratio;
- Delays in reviewing and monitoring the Siza water concession timeously;
- Violent Public Protests;
- Inadequate Compliance and implementation of Occupational Health & Safety (OHS) measures and
- Inappropriate corporate culture.

(ii) Operational Risks:

- Misuse of Municipal Fleet due inadequate assumption of responsibility for Fleet Management within the User Departments;
- Inadequate security over Municipal infrastructure, assets and staff;
- Delayed and/or compromised responsiveness in defending and/or resolving legal disputes against the municipality cases resulting in default judgments against the municipality;

- Inadequate consumer data which leads to incorrect classification of consumers/debtors; and
- Turnaround time to attend consumer queries.

(iii) Fraud Risks:

- Theft of Municipal assets by both the municipal officials and external persons;
- Theft of goods from stores;
- Unjustified emergency requests;
- Acceptance of bribes (kickbacks) by municipal officials and Councillors from suppliers in order to influence / manipulate the award of contracts or payment to suppliers;
- Deliberate leak of information;
- Employees claiming overtime that has not been worked or inflating overtime hours worked;
- Leave taken by employees but not processed on the leave system;
- Fleet vehicles used by municipal officials for personal use; and
- Escalation in large scale cyber-attacks.

(iv) ICT RISKS

- Limited capacity to manage an effective and efficient co-ordination of IT continuity in the event of ICT service disruption;
- Inadequate controls over ICT environment, (logical and physical);
- Ineffective implementation of information technology governance Strategy /Framework;
- Problems and incidents not resolved in a timely manner and
- Unauthorised access to systems and circumvention of logical access rights.

(d) KEY AREAS OF FOCUS FOR 2023/24:

Below is the highlight of some of the key focus areas for 2023/24:

- Monitoring operational plans to enhance revenue within the district;
- Monitor implementation of the Corporate Culture programme;
- Report progress on implementation of action plans to Risk Management Committee, Portfolio Committees, EXCO and Audit Committee;

- Approval and implementation of Business Continuity Management;
- Managing and monitoring risks exposures that will be associated with the handover of Siza Water Concession contract to iLembe District Municipality and
- Managing and monitoring risks exposures that will be associated with the risk of load shedding.

(e) CHALLENGES AND MITIGATION MEASURES FOR IMPROVENT.

(i) Inadequate Risk Awareness

While awareness campaigns take place in the form of workshops, risk management is still perceived as bureaucratic exercise hence unable to yield visible results at operational level.

Mitigation:

Embedding risk management in the existing business processes to make risk management self-sustaining overtime.

(ii) Instilling Accountability and Encouraging Action

Mitigation:

- Mapping the risk to Portfolio Committees and encouraging portfolio hearings against the treatment plans and
- Allocating resources to the highest priority risks.

(iii) Complex Risk Management Approach to Treatment, Monitoring and Reporting.

Mitigation:

- External risks: Contingency planning and Business Continuity Plan.
- Strategic: focus on key risk indicators and trends.
- Operational: focus on internal controls and establishing procedures and alignment to internal audit through combined assurance.

(f) OUTSTANDING MATTERS

- Launch of the Ethics Committee for Councillors;
- Rollout for the Corporate Culture Programme;

- Planned Risk assessment for Projects during 2023/24 financial year and
- Full declaration of Financial Interest by all staff members.

2.4.2 ANTI- FRAUD AND CORRUPTION

- iLembe District Municipality has an Anti-Fraud Corruption Strategy (as well as Policy) in place that was reviewed and approved by Council;
- The risk of fraud and corruption is one of the Municipality's top strategic risk areas.

As part of prevention Fraud and Corruption, the following was done;

- Declarations of interest signed by Councillors, Senior Managers, Managers, SCM employees, and other personnel (KZ employees);
- Fraud Risk assessments were conducted;
- Fraud risk register reviewed and monitored on a monthly basis;
- Annual Fraud and Corruption awareness workshops conducted;
- Design and development of Fraud Risk Management Plan; and
- Appointment of service provider for district wide hotline services.

Risk Management Committee is able to function as an oversight body; and this includes the reviewing the effectiveness of prevention initiatives, detection techniques as well as progress made in any forensic investigation. The Municipality acts swiftly to investigate allegations of fraud and corruption whenever these allegations are reported to Management, Executive, and Council and Audit Committee.

2.4.3 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit that is fully functional and established within the Finance Department. All SCM processes are conducted in line with Section 217 of the Constitution of the Republic of South Africa, Chapter 11 of the MFMA (No. 56 of 2003), PPPFA (No. 5 of 2000) and the 2017 Preferential Procurement Regulations and the SCM Policy of the Municipality.

In order to ensure the segregation of duties, the SCM unit has four elements which operate independently but in a coherent manner as part of the supply chain, namely, demand, acquisition, logistics and disposal management. Furthermore, there is a contract management section which in conjunction with the relevant Project Managers, is responsible for the monitoring of all service providers and contractors' performance. This seeks to ensure the successful implementation of projects which will eventually yield to the realization of goals and targets as outlined in the Municipality's SDBIP.

(a) RANGE OF PROCUREMENT PROCESSES

All procurement activities are conducted in a manner that is fair, transparent, efficient, competitive and cost effective in line with the provisions of the Municipal Finance Management Act, (Act 56 of 2003), Supply Chain Management Policy and the 2017 Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act (No. 5 of 2000).

As a prerequisite, all entities doing business with the Municipality must be registered on the National Treasury's Central Suppliers Database (CSD). Over and above other mandatory requirements for eligibility to do business with the Municipality, the entities must submit SARS pin or tax clearance certificates to enable the verification of their tax status with SARS. This verification is done in all procurement process and bidders are given seven working days to sort out their tax matters with SARS.

(b) COMPETITIVE BIDDING PROCESSES

Section 19(1) of the SCM Policy stipulates that; goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of the SCM Policy. The Municipality has established all three bid committees duly appointed by the Accounting Officer, namely, Bid Specifications, Evaluation and Adjudication Committees. All projects that are processed by these committees must be fully funded and be registered on the annual procurement plan.

The following bids were awarded by the Municipality during 2022/23 financial year:

BID NO.	PROJECT DESCRIPTION	COMPANY NAME	VALUE
TS/225/2022	Groutville D Sanitation Scheme Phase 2: Ward 10 Completion of 600 m3 day ward 10 WWTP and M&E Equipment for ward 10 Reticulation	ZANAMANZI SERVICES	R 38,882,381.82
TS/226/2022	UMSHWATHI PHASE 5 REGIONAL BULK WATER SUPPLY SCHEME: CONTRACT 1	JAMJO CIVILS	R 68,000,000.00
TS/227/2022	DARNALL SEWER UPGRADE PHASE 2: REFURBISHMENT OF EXISTING WASTE WATER WORKS: WARD 02	MYALUZA CIVILS	R 16,470,260.15
SCM/19/2022	Supply & Delivery of Water and Sewer Stores Related Material for 3 Years	A total of 6 companies were appointed on the panel to run for 3 years.	Item based pricing
SCM /18/2022	Panel of Service Providers for the Supply and Delivery of Protective Clothing/Safety	A total of 6 companies were appointed on the panel to run for 3 years.	Item based pricing
TS/224/2022	Establishment of a Panel of Service Providers for Hiring of Plant Equipment Services over a 3-year period.	A total of 98 companies were appointed on the panel to run for 3 years.	Standardized rates were developed per item
CS/35/2022	Provision for Hygiene Services and Supply of Hygiene Products for a Period of 3 Years	Pestop	R 1,412,723.52
SCM/20/2022	Supply and Delivery of Chemals for Water and Waste Water Treatment Plants for 3-year period	Conti Chem, Rheochem	Item based pricing
TS/228/2022	Mshwathi Bulk Water Supply Phase 5 (Contract 2)	Pilcon Projects	R 89,993,643.50
TS/229/2022	Panel of Engineering Consultants for a 3 Year Period.	A total of 50 companies were appointed on the panel to run for 3 years.	Competitive rates as gazetted by ECSA
CS/34/2022	Provision of Security Services at Various Municipal Sites/Areas for a period of 3 Years - KwaDukuza & Ndwedwe.	AET Sec Services	R 58,462,522.20
CS/34/2022	Provision of Security Services at Various Municipal Sites/Areas for a period of 3 Years - Mandeni & Maphumulo.	M-Guard (PTY) LTD	R 35 261 126.63

(c) IMPLEMENTATION OF THE 2022 PREFERENTIAL PROCUREMENT REGULATIONS

The 2022 Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act Regulations (PPPFA), Act No.5 of 2000 were incorporated in the SCM Policy. The SCM Policy was approved by Council and enables the Municipality to apply specific goals in the allocation of points when evaluating and awarding contracts. The specific goals and subcontracting provisions were included in the SCM Policy (awarding preference points for youth, women, black owned entities or awarding points based on location of the company).

(d) LOGISTICS MANAGEMENT

The Municipality has four site offices that keep stock items, namely, KwaDukuza, Mandeni, Maphumulo and Ndwedwe. The main stores/warehouse is located in KwaDukuza and operates on Munsoft financial system, the satellite stores are operating on a manual system. The inventory is maintained through the weighted average method and the following reflects the inventory balances and results of the stock count conducted at the end of the month as required by the Inventory Management Policy.

2.4.4 MUNICIPAL BY LAWS

The Municipality has developed Water By Laws that have been recently reviewed. iLembe District remains committed towards ensuring that the developed By Laws are reviewed on a regular basis, in line with all relevant prescripts and to ensure that they remain relevant, compliant and enforceable at all times.

2.4.5 MUNICIPAL WEBSITE

In relation to the communications and imparting the municipal information to the public, the Communication Sub-directorate in the iLembe District Municipality manages the flow of communication from/ to the organization, media and broader communities. It is also responsible for attending to the information needs with respect to the Web site of the Municipality, checking and approving the insertion of news items, articles and photographs. Legislated information in terms of Section 75 of the MFMA is also placed in the municipal website and updated as stipulated in the MFMA. This includes the following information:-

- that have been disposed of in terms of Section 14(2) or (4) during the previous quarter;
- performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act;
- all supply chain management contracts above a prescribed value;
- public-private partnership agreements referred to in Section 120 of the MFMA;
- The annual and adjustments budgets and all budget-related documents and all budget-related policies;
- all service delivery agreements;
- all long-term borrowing contracts;
- an information statement containing a list of assets over a prescribed value
- contracts to which subsection (1) of Section 33 apply, subject to subsection (3) of that section;
- the Annual Report;
- All quarterly reports tabled in the council in terms of section 52*(d)*; and other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

2.4.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

One of the communication objectives for iLembe District Municipality is to improve communication between the Municipality and its communities. This objective contributes towards the national outcome of creating a responsive, accountable, effective and efficient local government system. A healthy relationship between the municipality and external customers (citizens) is essential as customer satisfaction is a yardstick for municipal performance. Customer satisfaction is the output of customer service. Poor service leads to unhappy customers whilst good customer service leads to happy customers. However, because of financial constraints, iLembe District Municipality did not embark on a format citizen satisfaction survey during 2020/21 financial year. The satisfaction levels of the community are assessed through community meetings and media engagement activities.

2.4.7 ALL MUNICIPAL OVERSIGHT COMMITTEES

THE PURPOSE AND FUNCTIONS OF COMMITTEES

The following information reflects the different committees of Council and their respective purpose and functions:

(a) Delegations To The Executive Committee

- Performs the functions of an Executive Committee set out in the Local Government : Municipal Structures Act, 1998;
- Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government, including, but not limited to:-
- The Local Government : Municipal Demarcation Act, 1998 :
    - The Local Government : Municipal Systems Act, 2000;
    - The Promotion of Access to Information Act, 2000; and
    - The Municipal Finance Management Act, 2003
- Exercises all Powers of the Council which may be delegated by the Council in terms of the Constitution or any other law and which has not been delegated or assigned to any Municipal Functionary or municipal employee or is not deemed to be so delegated or assigned in terms of any law;
- Considers and determines any particular matter or issue or any matter of policy referred to the Committee by the Municipal Manager; and
- Takes any necessary or incidental decisions for the management or administration of any resolution of the Council.

(b) Delegations To The Rules Committee

- Developing Rules of Order and amendments thereto for recommendation to EXCO;
- Summonsing any Councillor or Official to appear before the committee to assist it in the performance of its functions;
- Conducting disciplinary enquiries into Councillor transgressions referred to the Committee by the Speaker or MM, and making recommendations in respect thereof;

- Investigating and making findings on any alleged breach of the Code of Conduct for Councillors, and making suitable recommendations including suitable sanctions in terms of Item 14.2 of such Code; and
- Making written representations to the MEC for Local Government pertaining to an appeal to the MEC by a councillor who has been warned, reprimanded or fined in terms of item 14 (2) (a), (b) or (c) of the Code of Conduct for Councillors.

(c) Delegations To The Finance Portfolio Committee

- Ensuring compliance with the provisions of MFMA;
- Investigating processes and procedures for the implementation of services relating to matters referred to in number 5;
- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 5;
- Ensuring stakeholder participation in matters referred to in number 5;
- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters: -
  - ✓ Audit;
  - ✓ Budget Monitoring;
  - ✓ Credit Control Monitoring;
  - ✓ Expenditure Monitoring;
  - ✓ Imposition and collection of taxes, levies and duties related to the functions of the Municipality;
  - ✓ Income Monitoring;
  - ✓ Indigent Support Programme Monitoring;
  - ✓ Receipt, allocation and, if applicable, the distribution of grants made to the District Municipality;
  - ✓ Supply Chain Management Policy oversight;
  - ✓ Financial Regulations;
  - ✓ Borrowing;
  - ✓ Fixed assets;
  - ✓ Cash and Investment; as well as;
  - ✓ Reviewing of CFO's Monthly Financial Reports

(d) Delegation To The Infrastructure And Technical Portfolio Committee

- Investigating processes and procedures for the implementation of services relating to matters referred to in L 4;
- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 4;
- Ensuring stakeholder participation in matters referred to in number 4;
- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters: -
    - Domestic waste-water and sewage disposal systems;
    - Municipal Fleet Management;
    - Potable water supply systems;
    - Solid Waste Disposal Sites serving more than one local municipality in the District;
- Although the issue of the Solid Waste Disposal Site is a statutory function of the District Municipality, the function has not yet been performed by the Municipality.

(e) Delegation To The Economic Development, Planning, Health And Safety Portfolio Committee

- Investigating processes and procedures for the implementation of services relating to matters referred to in M 4;
- Promotion of local tourism for the area of the District; and
- Promotion of social and economic development, including:
    - Agriculture;
    - Industrial Development
    - Job creation;
    - Social Empowerment;
    - Town Planning;
    - Cultural Upliftment; and
    - Poverty Alleviation.

- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 4;
- Ensuring stakeholder participation in matters referred to in number 4;
- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters: -
  - ✓ Abattoirs serving a major proportion of the municipalities in the District;
  - ✓ Fresh produce markets serving a major proportion of the municipalities in the District;
  - ✓ Integrated Development Planning for the District;
  - ✓ Municipal airports serving the area of the District as a whole;
  - ✓ Promotion of a safe and healthy environment, including: -
    - Conservation;
    - Environmental Planning;

(f) Delegation To The Local Public Administration and Labour Relations Portfolio Committee

- Investigating processes and procedures for the implementation of services relating to matters referred to in number 4;
- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 4;
- Ensuring stakeholder participation in matters referred to in number 4;
- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters: -
  - Human Resource Development;
  - Labour Relations; and
  - Local Public Administration.

PERFORMANCE MANAGEMENT PROCESSES

The Organisational Performance framework must be reviewed annually and adopted where necessary as per the Municipal Systems Act, 32 of 2000, chapter 6 guidelines. Council adopted the reviewed Framework on 30th May 2023. Organisational Performance within iLembe District Municipality is an integral part of the implementation of the Integrated Development Plan – operational plans that are monitored and progress is reported annually against the targets set out as well as challenges experienced during the 2022/2023 financial year.

The District has committed itself in trying its best to obtain a Clean audit opinion for both financial and performance information. This will be done by ensuring that all legislative requirements and compliance issues are adhered to, while ensuring that strict internal controls are maintained.

Management plays a major role on the improvement of the system by adhering to the set deadlines and timeframes, while ensuring that all portfolios of evidence and backup documents are submitted during reporting of actual progress. The PMS automated system which is a module of our financial system Munsoft together with the service provider Action IT has been fully implemented. Management reports on the actuals with portfolio of evidence are being uploaded on the system. Training done to Internal Audit Unit and the Auditor General with auditing process (quarterly) already commenced on the system during the previous financial year. All reports get submitted to Management for discussions and inputs to ensure that challenges are noted (including any recommendations or solutions) before submission to relevant committees. This helps in improving the reports since due to early alerts on challenges experienced by departments, thus ensuring proactiveness before the due dates for submission of quarterly and annual reports.

3.1 PROVISION OF BASIC SERVICES IN THE 2022/23 FINANCIAL YEAR

THE OBJECTIVE OF THE TECHNICAL SERVICES DEPARTMENT IS:

- To provide sustainable infrastructure that will render water and sanitation services to cover the entire area of iLembe District Municipality;
- To eradicate the backlogs and cater for future demands within iLembe District Municipality; and
- To ensure the quality of drinking water in the region is improved to meet the standards for safe drinking water as per SANS.

(a) MAJOR CAPITAL PROJECTS UNDERTAKEN

This section is an account on the major Capital Projects that were undertaken by the District in all the four (4) Local Municipalities that fall within its jurisdiction. The account is presented per Local Municipality and schemes with that Municipality.

(b) DISTRICT WIDE WATER CONSERVATION AND DEMAND MANAGEMENT

iLembe District Municipality embarked on a serious drive to deal with the reduction of unaccounted for water through the implementation of a water conservation and demand management program. This program is aimed at replacing all the old infrastructure that is leaking and often breaks thus causing service interruptions. And also upgrade and improve old water schemes which are not operating at capacity due to increases in demand and vandalism. The project will also ensure installing pressure reducing valves to minimize the pressures in the system in order to reduce leaks. Bulk meters and control valves are also installed at all reservoirs and water supply points to minimize water losses through reservoir over flows and non-bulk metering.

This program is implemented throughout the municipal area where challenges of old infrastructure as well as high water losses are experienced. The KwaDukuza CBD has been completed and the program is now focusing on areas that are lying out of the CBD and is being rolled out to other LMs, such as, Mandeni, Ndwedwe and Maphumulo areas. The program is being rolled out throughout the district municipality and is funded through the Water Services Infrastructure Grant (WSIG) from the Department of Water and Sanitation. The projects below are some of the projects that have been implemented:

i. Ndwedwe South Water Scheme Refurbishment

The project was for upgrading and refurbishing of pipelines and water pump stations. The scheme serves a total of 1 500 households in wards 9, 10, 11. The scheme costed **R 38,601,768,20** and was implemented in the 2020/21 financial year. And this project is operational.

ii. Shakaville Old Mains Replacement

The project was intended to replace the ageing water infrastructure in ward 18 of KwaDukuza Local Municipality. The scheme serves a total of 2 292 households. The project costs were **R19, 131, 045.00** and was completed in September 2021.

iii. Warrenton and Industrial Area Old Mains Replacement

The project is intended to replace the ageing water infrastructure in ward 16 of KwaDukuza Local Municipality. The scheme will serve a total of **2 700** households. The project costs were **R20, 596,995.60** and was completed in September 2021.

iv. Old mains Replacement in Mandeni LM

The project is intended to upgrade ageing water infrastructure in wards 3,4,16,17 & 18 of Mandeni Local Municipality. The scheme will serve a total of **13 230** households. The project costs were **R34, 338,813.39** and was completed in May 2023.

v. Glenhills Old Mains Replacement

The project is intended to replace ageing water infrastructure in ward 13 in KwaDukuza Local Municipality. The scheme will serve a total of **3 200** households. The project estimated costs are **R37,500,063.33** and will be completed in October 2023.

vi. Non-revenue water reduction program

The project is intended to attend to a number of non-revenue water activities such as the following in all the Local Municipalities that falls under iLembe District Municipality;

- Preparation/ updating of 5-year NRW Master Plan
- WC/WDM awareness and media campaigns
- NRW Reduction Team, including disbursements
- Leak detection and repair program

- Optimizing of existing PRV zones/ PMZs and advanced controllers
- Bulk Meter and control valve audit and maintenance
- Development of Operations and Maintenance Policy
- Monthly IWA Water Balance
- Leak Detection and Repair
- Infrastructure Assessment Upgrade and Management – Reservoirs Refurbishment
- Recommission/Servicing PRV's and controllers
- Refurbishment of Reservoir C Pump Station
- Pipe Replacement:

i. Sterilize Street Phase 1 (420m long)
ii. Malende Pump station rising main (760m long)
iii. Blythedale Pipeline leak repair
iv Avon Power Plant Pipeline Replacement (500m long)
v Hullets Street (Market Plaza) leak repair
vi Glen Hills pipeline leaks repairs

- Bulk Meter Management – Check Meters

The program covers quite a number of households in the entire district. The project estimated costs are **R 28 897 340** and will be completed in October 2023.

vii. **Water Supply Infrastructure Refurbishment & Upgrade in Mandeni LM Wards 2, 4,12, & 16**

The project is intended to upgrade ageing water infrastructure in wards 2,4,12 & 16 of Mandeni Local Municipality. The scheme will serve a total of **26 570** households. The project costs are **R48 527 695.12** and is to be completed in September 2024.

viii. Sonkombo Water Infrastructure Refurbishment.

The project is intended to upgrade ageing water infrastructure in wards 10, 11 and 12 of Ndwedwe Local Municipality. The scheme will serve a total of

10 320 households. The project costs are **R49 998 696** and was completed in September 2024.

i. **Matholamnyama Water Infrastructure Refurbishment.**

The project is intended to upgrade ageing water infrastructure in wards 11 of Ndwedwe Local Municipality. The scheme will serve a total of **2 560.**households. The project costs are **R33,303,084.15** and will be completed in September 2024.

3.1.2 WATER

(a) MANDENI LOCAL MUNICIPALITY

(i) Ndulinde Sub-Regional Water Supply Scheme

The Ndulinde Sub-Regional Water Supply Scheme fall within Wards 5, 6, 11 and 12 as well as areas in Wards 17 and 18 within the Mandeni Local Municipality, approximately 36km north of KwaDukuza. The scheme is intended to provide portable water supply to the community.

The source of water is from reservoir C that is fed from the Sundumbili Water Works, which is situated on the northern banks of the Thukela River. The scheme will serve a total of **42,752** people residing in some **10,691** households. The scheme is estimated to cost **R 270,197,305** in total and is implemented in phases until 2023/24 financial year when it will be fully commissioned.

The current dispensing method is the communal standpipe system; however, the scheme has been redesigned to be upgraded from communal standpipes to yard connections. This is done so as to provide the communities residing in Ndulinde with a higher level of service other than the communal standpipes. The area of Vutha in ward 6 already receives water in yard taps and all the other areas will be gradually upgraded over the years to yard taps with the availability of budget.

Following the ceding of the contract, the project is at commission stage. Some of the areas are receiving water while the contractor is busy with the contractor is working in other areas. The following projects were implemented in the 2020/2021 financial year;

ii. Ndulinde Water Supply Scheme – Remedial Works to Phase 1, 2C and 4C.

The project was intended to undertake remedial works for water infrastructure in ward 5, 6, 11 and 12 as well as areas in Wards 17 and 18 in Mandeni Local Municipality. The scheme serves a total of **10,691** households. The project estimated costs are **R22 657 057.32** and was completed in 2023. Contract TS/178/2017 – Ndulinde Water Supply Scheme – Remedial Works to Phase 1, 2C and 4C which was completed in November 2021.

iii. Ndulinde Water Supply Scheme – Remedial Works to Phase 1, 2C and 4C.

The project was intended to undertake remedial works for water infrastructure in ward 5, 6, 11 and 12 as well as areas in Wards 17 and 18 in Mandeni Local Municipality. The scheme serves a total of **10,691** households. The project estimated costs are **R22 657 057.32** and was completed in November 2021.

iii. Ndulinde Water Supply Scheme – Construction Of 1ml and 3.5ml Reservoirs and Ancillary Works: Contract TS/222/2021

The project is intended to upgrade the storage at Ndulinde from 2.75Ml to 7.25Ml in total for water infrastructure in ward 5, 6, 11 and 12 as well as areas in Wards 17 and 18 in Mandeni Local Municipality. The scheme serves a total of **10,691** households. The project estimated costs are **R29 962 040.20** and will be completed in December 2023.

iv. Macambini Sub-Regional Water Supply Scheme

The Macambini Sub-Regional Water Supply Scheme fall within Ward 1, 2, 3, 8 and 9 of Mandeni Local Municipality. The scheme is intended to provide portable water supply at a basic level of service to the community that is currently being served through boreholes that are equipped with hand pumps and some springs that are within the area. The scheme will also augment the current supply from the uMlalazi Water Scheme that is under King Cetshwayo District Municipality who act as a bulk water provider to iLembe DM.

During dry seasons, King Cetshwayo DM is unable to meet iLembe DM's demand and this often results in shortage of water to the community of Macambini. The source of water is the Sundumbili Water Works, which is situated on the northern banks of uThukela River that is upgraded from 27M/l/d to 40M/l/d in order to have enough capacity to serve the community of Macambini.

The scheme will serve a total of 58,480 people residing in some 7,310 households. The scheme was estimated to cost R 101,726,581.00 and was intended to be implemented in phases until 2024/2025 financial year when it would be fully commissioned.

The Macambini project was scheduled to start in 2007 but was put on hold due to the RUWAAD / Dubai Development that was proposed by the Provincial government. This led to a delay in the start of the project from 2007 to 2013 and has resulted in the increase in the estimated cost of construction due to escalation of prices over the 5 years. The revised construction cost is now R 616,572,540.31 and it incorporates a revised scope that involves upgrading of bulk water mains and pump station from the Sundumbili Water Works, reticulation network and individual connections.
Three phases that include the first reticulation project commenced in March 2020 and further reticulation projects will be implemented until 2024/25 when the scheme will be fully implemented. It must be noted already 478 households of Macambini are already connected through yard taps from the scheme and as things stands right now the project is under construction to connect more households.

(a) NDWEDWE LOCAL MUNICIPALITY

(i) Umshwathi (Wartburg) Water Pipeline.

iLembe District Municipality has since partnered with Umgeni Water to construct a bulk pipeline from the Midmar Dam that will bring water through uMgungundlovu DM and Umshwathi Local Municipality areas to iLembe District Municipality. The scheme will cover Ward 2,4, 5,6,7 and 8 in Ozwathini - Phambela, Mlamula and Nodwengu areas under Ndwedwe Local Municipality.

The pipeline implementation started 2016/17 and consist of three phases with the last phase being implemented during 2018/2019 and are currently being commissioned.

The bulk command reservoir has been built at Nondabula linking to the existing reticulation networks that exist in the area.

Nondabula water reticulation scheme has been commissioned with five hundred (500) households connected. The last phases for Ward 4,5 and 6 first phase of the pipeline planning is underway and will provide bulk water to the Wosiyane area while the design to iLembe District Municipality is at an advanced stage. Umshwati Phase 5, Contract 1 will be implemented in 3 contracts. The first Contract is at Bid Evaluation Stage and the contractor is expected to be on site in September 2022.

(c) MAPHUMULO LOCAL MUNICIPALITY

(i) Mvotshane Regional Water Scheme

The Mvotshane Dam phase 1 is commissioned and Umgeni is currently investigating Hlimbithwa as an alternative solution for future augmentation as part of the Maphumulo/KwaDukuza Sub Regional Water Scheme. The scheme is co-funded by iLembe District Municipality and Umgeni Water wherein Umgeni Water will focus on the implementation of the bulk system (including the dam) and iLembe District Municipality is focusing on the reticulation networks up to the standpipes / yard connections.

The scheme will cover Ward 4, 7, 8, 9, 10 and 11 of Maphumulo Local Municipality and Ward 1, 2, 3, 4 and 7 of Ndwedwe Local Municipality. The full extent of the scheme stretches from Maphumulo, Ndwedwe to KwaDukuza ward 27.

The scheme will serve a total of 77,900 people residing in some 17,084 households. The scheme is estimated to cost R 339,870,403.00 of which R 131,982,216.00 is iLembe District Municipality funds and R 207,888,187.00 will be funded by Umgeni Water. The first phase of the scheme of (6ML) was commissioned during the 2012/2013 financial year and the second phase of (3ML) has been commissioned by 2018/2019 financial year to make (9ML). The contractor has been appointed to implement the last phase of (3ML) to push the water treatment plant production capacity to 12ML.

ii. Maphumulo/ Kwa Dukuza Sub-Regional Water Scheme

The Maphumulo/ KwaDukuza Sub-Regional Water Supply Scheme falls within Maphumulo Local Municipality, this is an extension of the Ngcebo/KwaDukuza Water Supply system and will provide wards 4, 8, 9 and 11 with portable water supply to a basic level of service.

Zone G reticulation project, which falls under Ward 9 of Maphumulo commenced in March 2020 and was implemented over a 12 month period. The project has been completed and commissioned with some 514 households connected with yard connections.

3.1.3 SANITATION

(a) KWADUKUZA WATER BORNE SEWER PROJECT

(i) GROUTVILLE D

The primary objective of this project is to provide a bulk sanitation system to service the growing needs of Groutville development areas which, besides Groutville D Water Borne Sanitation, serves the areas of Thembeni, Njekane, Ethafeni, Chief Albert Luthuli Land Reform, Mnyundwini and proposed Lloyds / Chris Hani Ntshawini Region and all located within KwaDukuza local Municipality. On completion, this scheme will serve a total of 129 000 citizens.

This project is jointly being implemented by KwaDukuza Local Municipality, iLembe District Municipality, COGTA KZN, KZN Department of Human Settlements and the KZN Department of Water and Sanitation. The total cost of this staged project is R 254 million. This project is being implemented in phases. First phase was done in 2017/18 Financial Year. Second phase of the project is ongoing at Etsheni Area where about 420 households will be connected on completion of the project. Third phase will be implemented this financial year in Ward 10 of KwaDukuza.

(ii) SOUTHERN REGIONAL BULK WATER AND SANITATION

The municipality undertook to implement the Southern Regional Bulk Water and Sanitation Scheme (SRBWSS) in July of 2017. The purpose of the project is to provide bulk water and sanitation to the areas of Etete, Palm Lakes, Shayamoya, Nkobongo, Shakaskraal and Shakashead.

In 2014, iLembe District Municipality submitted a business plan to the Department of Water and Sanitation requesting funding for the project. Only a partial sum of R89.7m of the requested budget was approved by DWS to implement the first phase of Southern Bulk Water and Sanitation Scheme. The total cost for phase 1 was R85 841 458.48.

The estimated cost for Phase 2 is R281 365 289 and will be implemented in two phases (2A & 2B) of which phase 2A currently on planning stage and 2B will only commence once the Water Use License Authorization (WULA) has been approved.

(i) A REFLECTION ON THE PERFOMANCE OF THE MUNICIPALITY IN THE DELIVERY OF WATER AND SANITATION

TOP LEVEL SUMMARY OF 2022/23 HOUSEHOLD BENEFICIARIES			
	TOTAL NUMBER TARGETED	ACTUAL NUMBER CONNECTED	PERCENTAGE ACHIEVEMENT AGAINST TARGET
WATER	0	0	0%
SANITATION	1845	1918	104%

(ii)FINANCIALS ON CAPITAL PROJECTS

Capital & Operational Grants Expenditure				
SOURCE OF FUNDING	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL EXPENDITURE TO DATE	% SPENT TO DATE AGAINST TOTAL BUDGET
Municipal Infrastructure Grant (MIG)				
Water	87,485,352	91,560,168	90,477,944.21	91%
Sanitation	83,723,346	70,266,290	72,908,198	105%
Water Services Infrastructure Grant (WSIG) - Refurbishment/Replacement of water projects	62,086,956	59,570,965	56,250,157.59	94%
MIG Operational Grant - VIP toilets	21,739,126	29,390,016	29,725,472,70	101%

(b) WATER QUALITY

Water and wastewater (blue and green drop systems respectively) audits have been reinstated in 2021 and will be conducted by the Department of Water and Sanitation (DWS) every year with a full audit of either the blue or green drop, each and every

year. The last audits were conducted in 2022 which comprised a Green Drop Progress Assessment Tool (GDPAT) and Blue Drop Audit, the results have not been released. Wastewater quality continues to pose a challenge for the District. The performance of wastewater treatment works over the period (July 2022 to June 2023) is shown in the table and graphs below.

Table 1: Wastewater Effluent Percentage Compliance (July 2022 - June 2023)

Item No.	Wastewater Treatment Works Name	Compliance Standard	Microbiological	Chemical	Physical
1	Darnall	90%	10.00%	90.00%	85.00%
2	Frasers	90%	91.70%	97.20%	95.10%
3	Gledhow WWTW	90%	72.10%	90.70%	78.50%
4	Mandeni	90%	45.80%	52.80%	77.10%
5	Melville STW	90%	11.90%	34.90%	71.40%
6	Montebello Hospital	90%	25.00%	33.30%	66.70%
7	Mphumulo Hospital	90%	90.90%	87.90%	81.80%
8	Ntunjambili Hospital	90%	45.80%	80.60%	83.30%
9	Shakaskraal	90%	98.10%	96.00%	94.00%
10	Sheffield	90%	97.20%	90.60%	95.50%
11	Stanger	90%	29.40%	59.80%	76.50%
12	Sundumbili	90%	50.00%	33.30%	25.00%
13	Tugela	90%	21.40%	52.40%	67.90%
14	Vukile	90%	33.30%	0.00%	72.20%
	Average compliance		**65.90%**	**74.40%**	**81.30%**

The required compliance by the Department of Water and Sanitation (DWS) for micro, chemical and physical is 90%. As shown in table 1 above, none of microbiological (65.90%), Chemical (74.40%) or Physical (81.30%) compliance is above the required compliance limit.

There are a number of factors that contributed to the lower percentages namely:

- Faulty mechanical and electrical equipment
- unavailability of lab equipment onsite
- Non-compliant process controllers.
- Power failures (load shedding)

Wastewater Treatment Works that contributed negatively to the effluent compliance score are: Sundumbili, Mandeni, Tugela, Melville, Vukile and Montebello WWTWs. These are old systems and also requires refurbishment in order to improve the effluent quality.

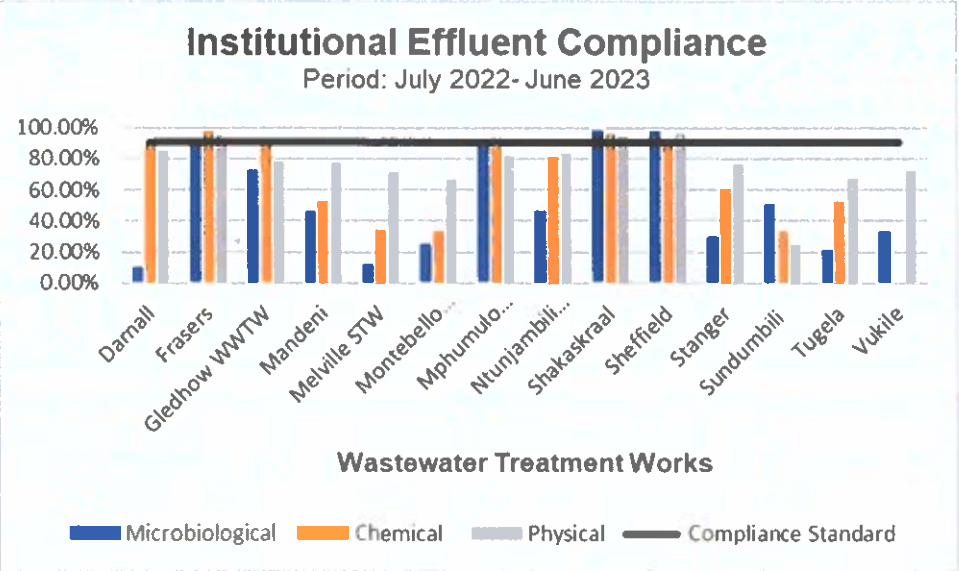


Figure 1: Effluent compliance for the period July 2022-June 2023

There are fourteen (14) wastewater works within iLembe District Municipality (IDM). Three (3) are monitored by Siza Water (namely; Frasers, Shakaskraal and Sheffield WWTWs) on behalf of IDM. The remaining eleven (11) are monitored by IDM and many of them require repairs and/or refurbishment. These range from operational to mechanical and electrical refurbishment. Furthermore, there were three wastewater treatment works that were heavily affected by the April 2022 floods and are currently not fully operational.

IDM is in the planning stages of relocating the Stanger wastewater works as well as upgrading the Sundumbili Waste Water Works. These 2 works are the largest capacity within IDM and the changes indicated will improve the wastewater landscape within the district. Plans are also underway to upgrade the Darnall waste water works and converting Gledhow wastewater works was refurbished in year 2021. It must be pointed out that Vukile WWTW is a pond system and the effluent is contained within the premises. There is no discharge into the receiving streams from Vukile WWTW.

In order to improve the effluent compliance scores of wastewater treatment works, IDM have prepared a business plan that when approved, will help alleviate the challenges faced by these treatment works.

(i) **Water Quality**

Table 2 - Potable Water Quality Percentage Compliance (July 2022 – June 2023)

No.	Water Supply Systems	Compliance Standard	Chemical	Microbiological	Physical
1	uMvoti WTW	95	Plant Offline – Due to flooding		
2	Sundumbili WTW	95	100.00	89.27	95.54
3	Ngcebo WTW	95	100.00	98.75	98.52
4	Isithundu WTW	95	99.02	86.42	82.18
5	Thafamasi BH	95	100.00	79.34	98.23
6	Ntunjambili BH	95	100.00	96.67	99.46
7	Ndukwende BH	95	100.00	96.56	99.05
8	Ngididi BH	95	100.00	67.52	94.86
10	Maqumbi T BH	95	100.00	50.43	90.31
11	Vukile WTW	95	100.00	90.83	84.92
12	Isiminya WTW	95	Plant Offline – Due to vandalism		
13	Glendale Sugar mill BH	95	100.00	68.65	91.67
14	Ntabaskop WTW	95	100.00	38.65	75.54
15	Montebello WTW	95	100.00	86.65	87.61
16	Esidumbini WTW	95	94.87	72.65	86.48
17	Waterfall WTW	95	100.00	67.08	87.10
18	KwaSathane BH	95	100.00	59.38	87.74
19	Nsuze WTW	95	100.00	87.73	88.61
	Average Compliance		**99.62**	**77.29**	**90.49**
	Overall Average Compliance		**89.13**		

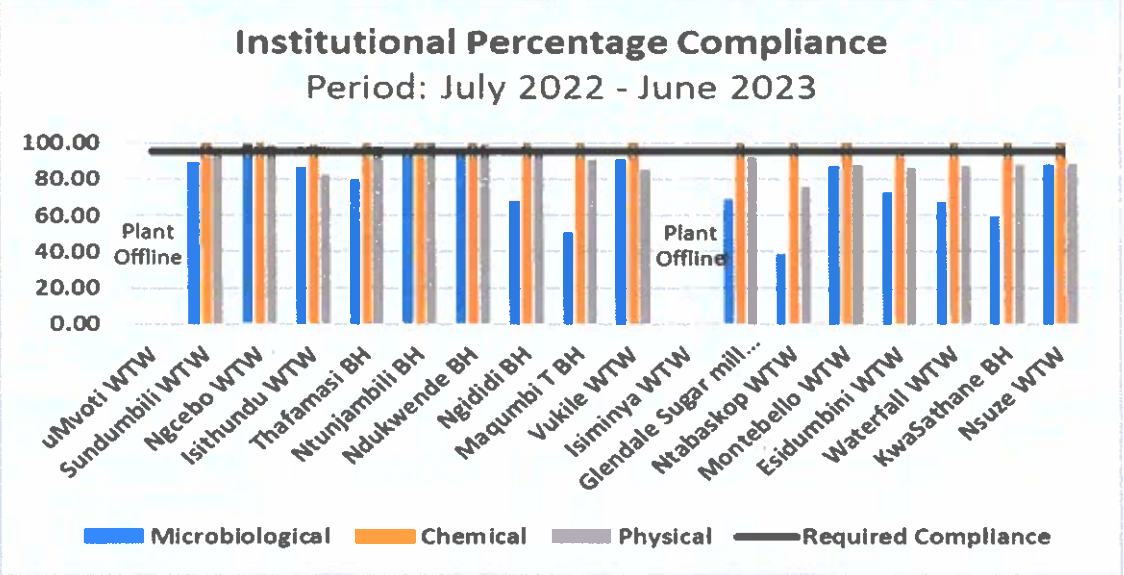


Figure 2 - Institutional Percentage Compliance (Potable Water Quality)

iLembe District Municipality (IDM) has twenty (20) potable water supply systems, including three (3) operated by Umgeni-Uthukela Water Board (previously Umgeni Water) and one (1) operated by Siza Water, made up of conventional and package water treatment plants and boreholes. There are challenges faced by the municipality with regards to water quality at some of the water treatment plants and boreholes in terms of Chemical, Microbiological and Physical compliance as indicated in the figure 2 above. The average percentage compliance are Chemical (99.62%); Microbiological (77.29%) and Physical (90.49%) with an overall average percentage compliance of 89.13% for the period July 2022 to June 2023.

The Lower Tugela Water supply scheme provides excellent water quality to the KwaDukuza area. Unfortunately, pipe breaks and leaks on the bulk line has impacted negatively on supply from time to time.

There are still challenges in terms of water quantity supply to the Maphumulo area and a package plant was recently added by Umgeni Water (UW) to increase the water supply to Maphumulo. The challenge of quantity still remains though. Water tankers as well as rejuvenating of some boreholes has also assisted in improving the water supply.

(c) Backlog Sheet For 2022/2023

WATER Jun-23

Local Municipality	Population	Households	2021/2022	2022/2023	Percentage of hh served to date
Mandeni	147 808	45 678	17 488	17 488	
KwaDukuza	276 719	91 284	9 119	9 119	
Ndwedwe	143 117	33 883	4 298	4 298	
Maphumulo	89 969	20 524	(173)	(173)	
	657 613	191 369			
HH without access to Water			30 732	30 732	16,06%
Achievements per year			1 412		
HH served			160 637	160 637	83,94%

Calculation for water backlog:		
Backlog for 2020/2021	16,80%	(32 144/191 369)
Backlog for 2021/2022	16,06%	(30 732/191 369)
% decrease in backlog as at end of June 2022	**0,74%**	(1 412/191 369)

SANITATION

Local Municipality	Population	Households	2021/2022	2022/2023	Percentage of hh served to date
Mandeni	147 808	45 678	(642)	(1 290)	
KwaDukuza	276 719	91 284	12 311	12 311	
Ndwedwe	143 117	33 883	893	271	
Maphumulo	89 969	20 524	10 064	9 416	
	657 613	191 369			
HH without access to sanitation			22 626	20 708	10,82%
Achievements per year			1 386	1 918	
HH served			168 743	170 661	89,18%

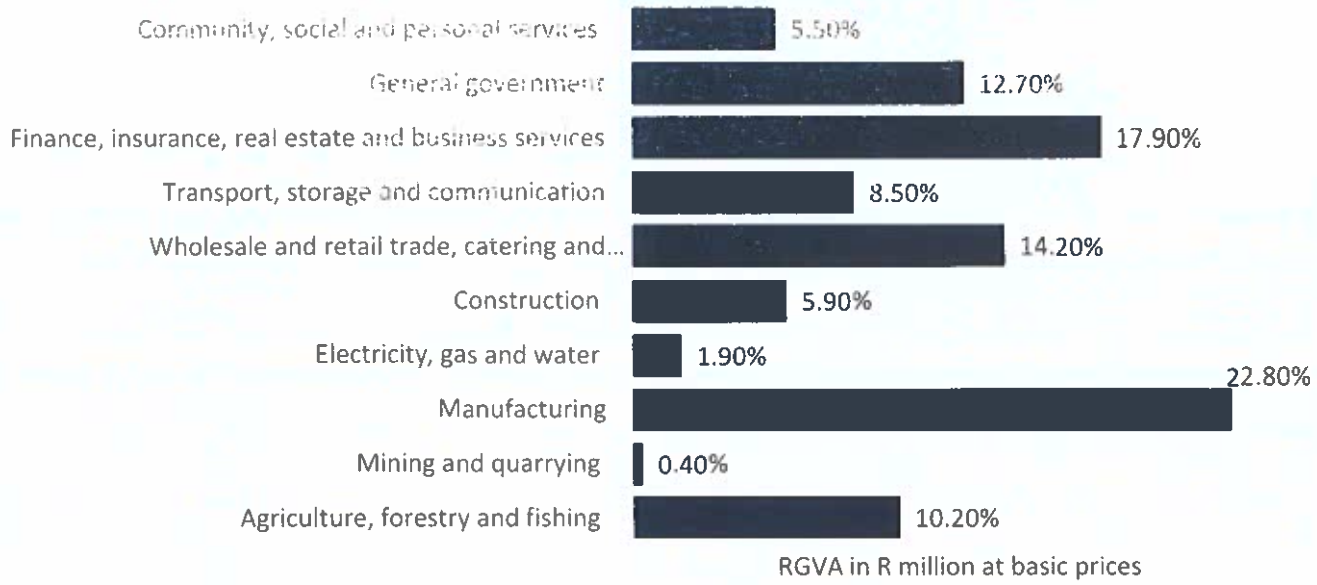
Calculation for sanitation backlog:		
Backlog for 2021/2022	11,82%	(22 626/191 369)
Backlog for 2022/2023	10,82%	(20 708/191 369)
% decrease in backlog as at end of June 2023	**1,00%**	(1 918/191 369)

3.2 LOCAL ECONOMIC DEVELOPMENT

iLembe Management Development Enterprise (Pty) Ltd, trading as "Enterprise iLembe", is a Municipal Entity wholly owned by the iLembe District Municipality (IDM). It was incorporated on 27 October 2008 and replaced the iLembe Development Foundation which was incorporated on 8 November 2002 and commenced business operations on 1 July 2006. Enterprise iLembe has been formed as a local economic development agency of the iLembe District Municipality with a primary mandate to promote economic growth within the iLembe District and constituted in terms of the Municipal Systems Act No. 32 of 2000 and the Municipal Finance Management Act No. 56 of 2003 (MFMA) and is obligated to comply with the prescripts of the Companies Act 71 of 2008. The Entity is responsible for driving economic development and promoting trade and investment.

The economy of iLembe is mainly based on four economic sectors: agriculture, tourism, manufacturing, and construction and property development. This by no means underplays the importance of the other economic sectors (transport and logistics, trade and retail and the services sectors) as a local economy can only be successful when all the sectors operate optimally.

The figure below shows that manufacturing and finance (insurance, real estate and business services) are the major sectors that contribute to the GDP of the District Municipality with 22.8% and 17.9% respectively. However, wholesale trade, the general government services and agriculture (forestry and fishing contribute also significantly to the District GVA with 14.2%, 12.7% and 10.2% respectively. It should however be noted that this data is pre-Covid-19 and the real extent of the pandemic's impact on the District economy is yet to be accurately extrapolated.



Source: Quantec: Regional Standardised, 2019

3.3 COMMUNITY SERVICES

3.3.1 YOUTH, SPORTS, ARTS & RECREATION AND CULTURE

(a) Sports and Recreation

- During the month of August 2022 iLembe District Municipality in partnership with Department of Sports and Recreation attended Dundee July Festival which was hosted by uMzinyathi District Municipality under eNdumeni Local Municipality and the event was a success.
- iLembe District Municipality together with DSR participated at Provincial Indigenous Games which were held in Durban during the month of August 2022, and team iLembe performed well.
- During the month of September 2022 Team iLembe participated at South African National Indoor Rowing which was held at Limpopo Province and our participation was a success.
- During the month of November 2022 in partnership with DSR hosted a Club District Development District Championship which was a very big success.
- During the month of December 2022, the District participated during Annual SALGA DSR Games that were successfully held in Amajuba District.

(b) Heritage and Cultural Programmes

- During the month of February 2023, IDM in partnership with DAC hosted a International Mother Language Day celebration to promote our languages and the event was a huge success.
- During the month of September 2022, the District participated in a number of heritage events including:
    - Siyaya eMhlangeni which was held at iLembe District to prepare maidens that will participate during Umkhosi woMhlanga;
    - Umkhosi woMhlanga which was held at Entokeni Palace (KwaNongoma);
- iLembe District successfully hosted Umkhosi weLembe (Heritage Day Event) which was held in KwaDukuza Sports & Recreational Grounds on the 24th of September 2022.

(c) Other Youth Empowerment and Development Programmes

- During the month of August 2022 iLembe District Municipality, District Civil Society, KwaDukuza Local Municipality, Business Community hosted a Motorcade and Peace Walk against July unrest to spread a word of Peace and Reconciliation with our society and the event was a success.
- During the month of September 2022 iLembe District Municipality hosted an event with Love Life and Department of Health to tackle the issue of HIV/AIDS at Mandeni and the event was a success.
- During the month of October 2022, IDM and NYDA launched a National Youth Development Agency District Service Office and the launch was a big success.
- IDM and the Department of Education (DoE) hosted a successful District Matric Awards to honour our matriculates who have performed well, the event was held during the month of January 2023.

3.3.2 DISASTER MANAGEMENT

(a) STATUS OF THE DISTRICT DISASTER MANAGEMENT CENTRE

iLembe District has a functional District Disaster Management Centre (DDMC) which is established in terms of Disaster Management Act No. 57 of 2002. The various institutional measures have been established to ensure compliance with disaster management legislation and policies with the Head of the Centre

appointed. The District Disaster Management Centre building for iLembe was completed in 2015 and is situated at No 12 Haysom Road, KwaDukuza.

(b) STATUS OF DISASTER MANAGEMENT INTERGOVERNMENTAL RELATIONS STRUCTURES

(i) MUNICIPAL DISASTER MANAGEMENT INTER-DEPARTMENTAL COMMITTEE AND POLITICAL COMMIITTEES

The District has the responsibility of establishing effective institutional arrangements for the development and approval of integrated disaster risk management matters. To achieve this, the District has established an Economic Development and Planning, Health and Safety Portfolio Committee, which is an internal portfolio committee that deals with matters relating to Disasters and Disaster Management in the District.

(ii) DISTRICT DISASTER MANAGEMENT PRACTITIONERS FORUM

iLembe District Disaster Management Practitioners forum has been established and comprises of all four (04) Local Municipalities. The main objective of having practitioners' meetings (that are held on monthly basis) is to share some of the common challenges, whilst learning from each other's best disaster management practices. During the period under review, the District conducted a total number of twelve (12) Disaster Management Practitioners meetings.

(iii) MUNICIPAL DISASTER MANAGEMENT ADVISORY FORUM (DMAF)

The District Disaster Management Advisory Forum (DDMAF) is a fundamental disaster management IGR structure that gives platform for interaction between all relevant role-players and stakeholders responsible for disaster risk management. The DDMAF is functional, with a reasonable attendance by relevant stakeholders. A total of four (4) District Disaster Management Advisory Forum Meetings were held during 2022/2023 financial year.

(c) STATUS OF DISASTER MANAGEMENT CAPACITY AT ILEMBE DISTRICT

iLembe District has established a fully functional District Disaster Management Centre (DDMC), with the Head of the Centre appointed, including disaster management personnel to support the Centre. Currently, at a district level there is one (1) Disaster Risk Reduction Officer and two (2) Senior Clerk (Disaster Management). All vacant

positions have been prioritized accordingly, with plans underway to fill other positions in line with strict austerity measures of the municipality. To ensure effective implementation of the Disaster Management Act, the District has also allocated physical and financial resources to make sure that there is an effective smooth running of the Disaster Management Centre.

(d) STATUS OF ILEMBE DISTRICT PLANS

i. DISTRICT DISASTER MANAGEMENT FRAMEWORK

In compliance with the Section 42 of the Disaster Management Act, which compels each District Municipality to establish and implement a disaster management Framework that is aimed at ensuring an integrated and uniform approach to disaster management, iLembe District Disaster Management Policy Framework was developed in 2008, and was consistent to both Provincial and National Disaster Management Frameworks. The District Disaster Management Policy Framework is based on the nationally accepted four key performance areas (KPA) each of which is underpinned by three "enablers" that facilitate a consistent approach to the function. The District completed a process of reviewing its Disaster Risk Management Policy Framework during the 2016/17 financial year.

ii. DISTRICT DISASTER MANAGEMENT PLAN

The Disaster Management Plan is crucial for the District since the Municipal Systems Act No. 32 of 2000 requires all municipalities to undertake an integrated development planning process to produce currently relevant Integrated Development Plans (IDPs). The applicable Disaster Management Plan is a core component of the IDP as stipulated by Section 26 (g) of the Municipal Systems Act No. 32 of 2000. Furthermore, Section 53 (2) (a) of Disaster Management Act stipulates that a disaster management plan for a municipal area must form an integral part of the municipal IDP. The developed District Disaster Management Plan is being reviewed on annual basis, and plans are currently underway to workshop Councilors on the reviewed Plan during 2023/24 financial year, and the process will culminate in the Plan being adopted by Council.

(e) STATE OF READINESS TO DEAL WITH DISASTERS

iLembe District is prone to a number of natural and men-made hazards such as heavy rain, lightning, strong winds, fires and hail resulting in devastating effects to both human life and property. To properly understand the spatial and geographical orientation of hazards, all disaster management practitioners continue to capture, monitor and analyze minor and major incidents on an ongoing basis.

The District Disaster Management Centre is one of the beneficiaries of the Early Warning System, with Weather Warnings received from the South African Weather Service (SAWS). All disaster management practitioners have a responsibility to disseminate early warnings to vulnerable communities, with some of the key recipients including Ward Councilors, Amakhosi, Izinduna etc. As required by the Disaster Management Act No 57 of 2002, the District prepares Summer and Winter Season Contingency Plans before the beginning of each season.

(f) FINANCIAL CAPABILITIES TO DEAL WITH DISASTERS

During 2022/23 financial year, the District Disaster Management Centre budgeted for the following Disaster Risk Reduction Programs:

- Social Relief Aid (Blankets, Food Parcels and Plastic Sheeting);
- Community Awareness Campaigns;
- Capacity Building programs;
- Disaster Risk Reduction (Review of The Disaster Management Plan);
- Installation of Lightning Conductors;
- Support to Local Municipalities; and
- Protective Clothing.

The Provincial Disaster Management Centre also assisted the district through provision of Social Relief Aid (i.e. blankets, sponges, plastic sheeting and Box B relief, which includes gel stoves, pots and cutlery sets).

(g) STATUS AND RESULTS OF DISASTER RISK ASSESSMENTS UNDERTAKEN

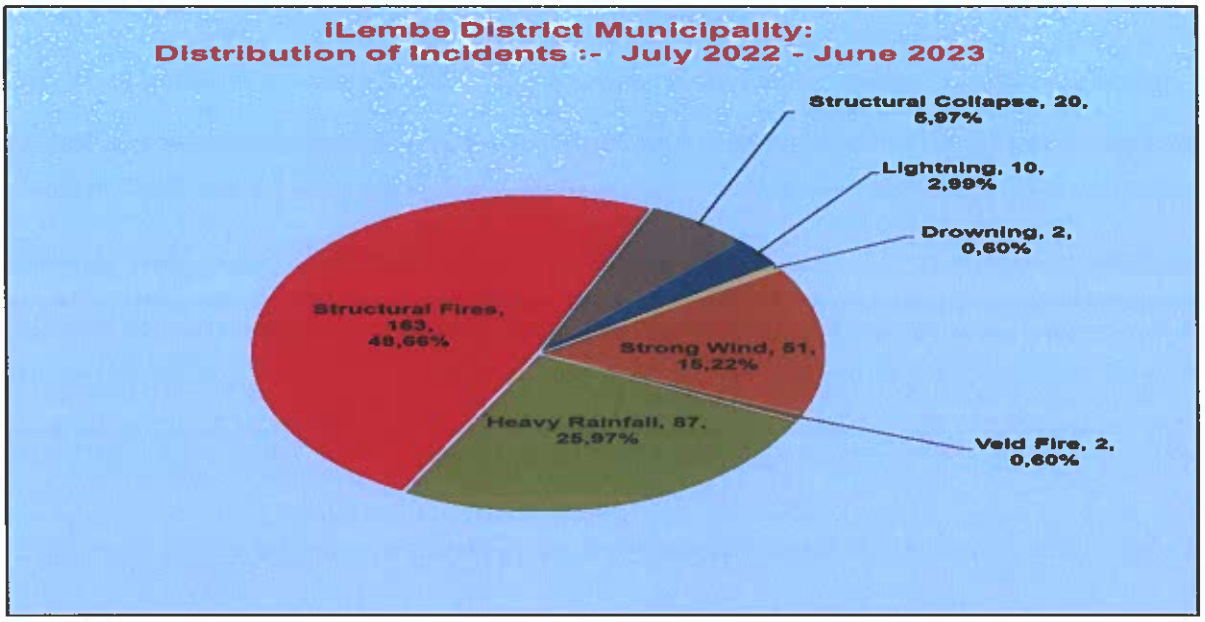
i. LIST OF PRIORITY RISKS (HAZARDS)

Below is a list of priority hazards in all four local municipalities, with spatio-temporal characteristics of these hazards well known since they have been observed and recorded over a period of time:

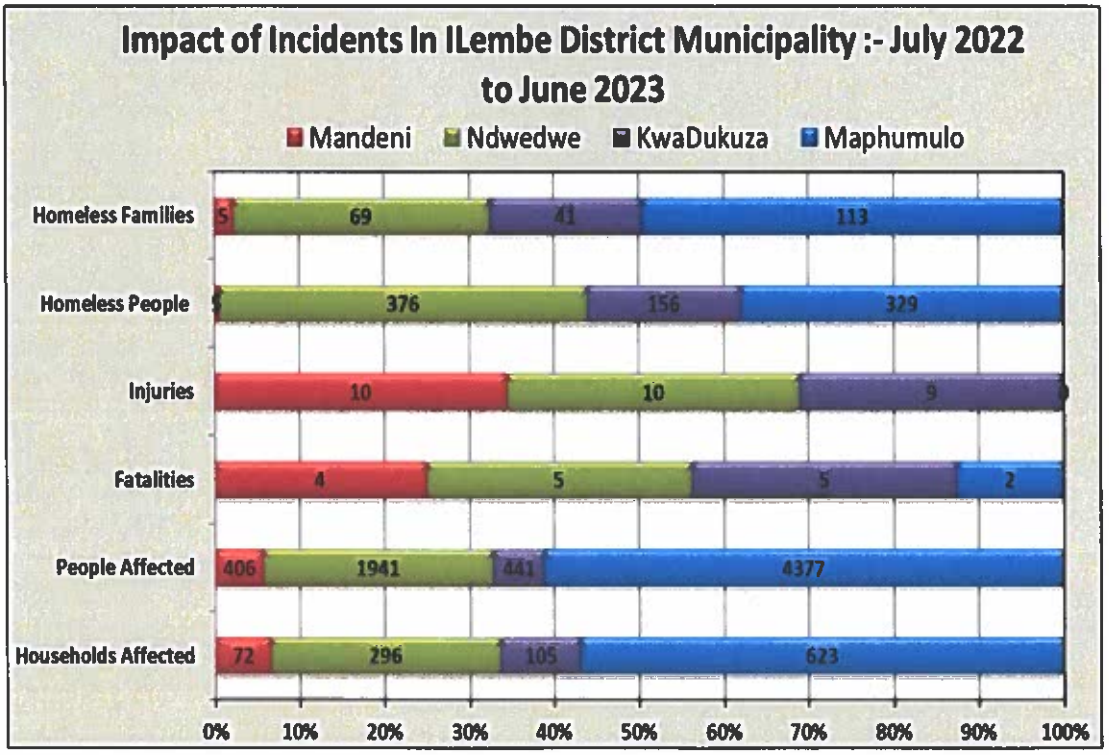
Table 2: Priority hazards identified at iLembe District Municipality.

HAZARDS	LOCATION
1. Severe weather:	
a. Lightning	In all Four Local Municipalities
b. Strong winds	In all Four Local Municipalities
c. Hail	In all Four Local Municipalities
d. Heavy rain	In all Four Local Municipalities
e. Extremely hot temperatures	In all Four Local Municipalities
f. Storm surges	Along the Coast
2. Fires (Structural and Veld Fires)	In all Four Local Municipalities
3. Accidents (Motor Vehicle Accidents)	Mostly on N2, R74, P711, R102 and P459
4. illegal Connection of Electricity	In all Four Local Municipalities

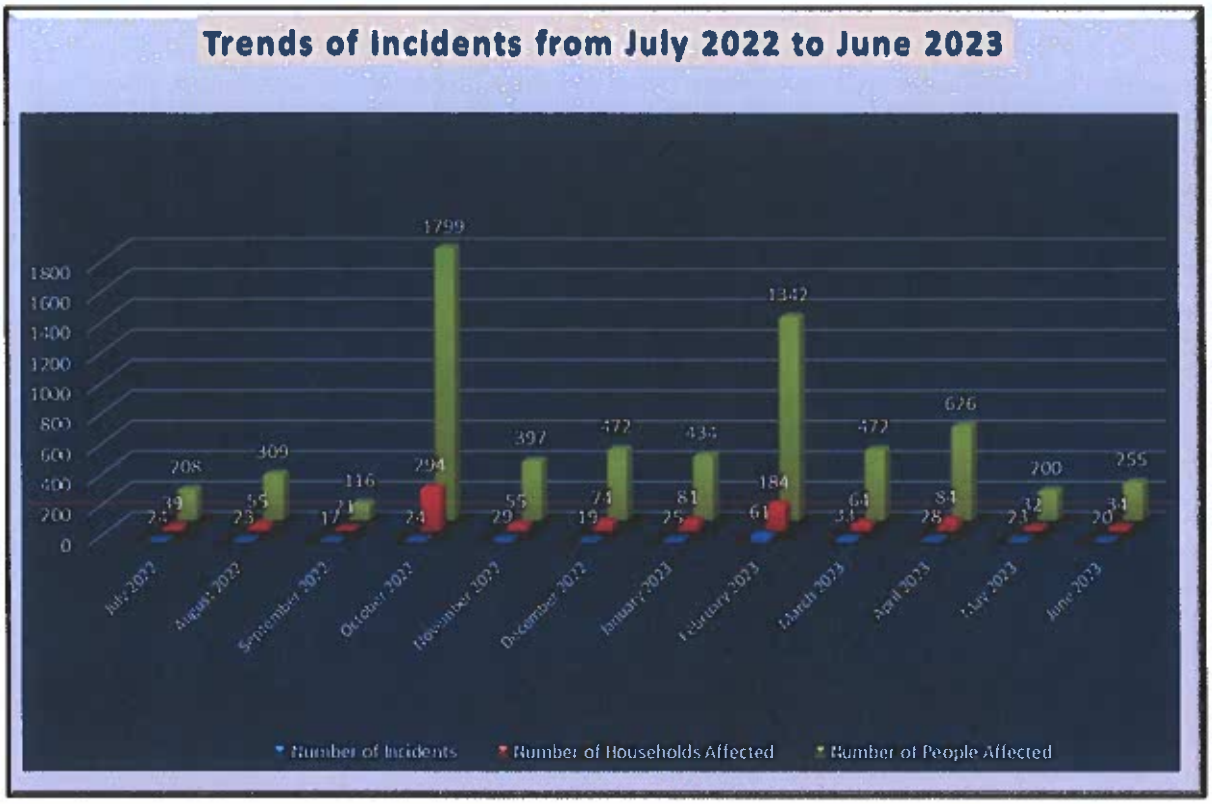
(ii) DISTRICT DISTRIBUTION OF INCIDENTS FOR 2022/2023 FINANCIAL YEAR



(iii) IMPACT OF INCIDENTS DURING 2022/2023 FINANCIAL YEAR



(iv) TREND OF INCIDENTS (01 JULY 2021 – 30 JUNE 2022)



(v) COMMUNITY AWARENESS CAMPAIGNS

In line with the Disaster Management Act No. 57 of 2002, the Provincial Disaster Management Framework of 2010 and the National Disaster Management Framework of 2005, the District Disaster Management Centre (DDMC) conducts awareness campaigns that are unique to specific audiences (based on their vulnerabilities). The DDMC also adopted a strategy to conduct ongoing awareness campaigns in an integrated manner, through utilizing some of the existing municipal public participation programs. During the period under review a total of twenty (24) planned and fifteen (15) unplanned awareness campaigns were conducted.

(vi) CAPACITY BUILDING PROGRAMMES

Capacity building programs remain one of the advocacy programs that get conducted as per the provisions of the Disaster Management Act No. 57 of 2002.Such training programmes are aimed at building disaster management capacity to a number of role players and stakeholders. During 2022/23 financial year, the District conducted at total number of fifteen (15) planned and nine (9) unplanned capacity building programmes.

(vii) BEST PRACTICES / ACHIEVEMENTS / SUCCESSES

There are various best practices that are implemented by the District Disaster Management Centre. Below are some of the disaster management best practices there were undertaken by the District:

- Provision of budget for disaster risk reduction programs;
- Partnering with the Provincial Disaster Management Centre (PDMC) towards installation of lightning conductors;
- Assisting Local Municipalities to align disaster management sector plans into their Integrated Development Plans (IDPs);
- Annual review of the District Disaster Management Plan using internal resources;
- Preparing Incident Management Plans during events (in complying with Safety at Sports and Recreational Events Act);
- Involvement during all District Climate Change interventions, especially Climate Change Adaptation;

(viii) CHALLENGES AND CONCERNS

- Lack firefighting capacity within the District and its family of municipalities, especially at Ndwedwe and Maphumulo Local Municipalities;
- Poor attendance by Sector Departments during Quarterly District Advisory Forum Meetings;
- Lack of disaster management budgeting in some local municipalities;
- Poor co-ordination (including response time) in municipalities where there is a limited number of personnel who are employed to deal solely with disaster risk management.

(ix) STATUS OF FIRE SERVICES

In line with the Disaster Management Act, Section 54 (3): (a) the municipality have a responsibility for coordination and management of disasters and must deal with a local disaster in terms of existing legislation and contingency arrangements if a local state of disaster has not been declared, (b) in addition to the above section 55(2) deals with instances where a local disaster has been declared. Currently, at iLembe District, only KwaDukuza and Mandeni Local Municipalities have establish mechanisms for firefighting capacity. KwaDukuza

is performing the firefighting function in house with two Fire Stations that are located in Ballito and Stanger. Mandeni have outsourced the service to a Service Provider for a period of three years, where there is an expectation of skills transfer once the contract has expired. One of the challenges is that there is no adequate firefighting capacity at Ndwedwe and Maphumulo Local Municipalities.

Below is the overall status of Fire Services with the District:

Municipality	Responsibility	Firefighters	Area km²	Capacity Equipment
Mandeni LM	Outsourced To The Service Provider	12 x Fire Fighters, 1 x Chief Fire Officer,	545 km²	1 x Fire Engine 6 x Rescue Vehicles 2 x Skid Units 5 x Utility Vehicles
KwaDukuza LM	KwaDukuza LM	Chief Fire Officer (1), Divisional Officers (2), Station Officers (4), Leading Firemen (13), Senior Fire Fighters (20), Fire Fighters (17), 1 x Call Centre Supervisor 8 x Call Centre Operators	735 km²	4 x Rescue Vehicles 1 x Skid Unit 3 x Utility Vehicles 2 x Fire Engine
Ndwedwe LM	IDM/KDM	2 x Firefighters, 5 x Interns	1093 km²	1 Fully Equipped Fire and Rescue Vehicle (For Rapid Response And Intervention)
Maphumulo LM	IDM/KDM	Nil	896 km²	Nil
ILEMBE			2 x Vacant Positions for Fire Co-Ordinators	

The District has developed a long term plan (aligned to the IDP) to ensure establishment of firefighting capacity, especially at Ndwedwe and Maphumulo Local Municipalities. The District continues to engage other external stakeholders to assist

towards the full establishment of fire fighting services within the distrcit, in complying with Section 84 (j) of the Municipal Structures Act.

3.3.3 SPECIAL PROJECTS

3.3.3.1 PROGRAMS FOR VULNERABLE COMMUNITIES

(a) PROGRAMMES FOR CHILDREN

The programmes for children including programs for Early Childhood Development (ECDs) were conducted effectively during 2022/23 financial year. With the ongoing cases of teenage pregnancy which often result in high number of school drop outs and high intake of substance abuse, Child Protection Awareness Campaigns remain one of the priorities (especially in schools). Follow up programmes are also conducted to address the high rate of school drop outs due to a number of social ills. Most of the programmes are being led by the District Women's Caucus.

Promotion of abstinence on young girls was also promoted during the heritage month, thereby encouraging them to part of Zulu Reed dance. Ongoing programmes were conducted targeting children and care givers for the above-mentioned children. Other programmes were also conducted, mainly targeting boys (especially those who are being raised by single parents), as the high-level assessment suggest that they might be angered due to the absence of a father figure.

(b) PROGRAMMES FOR WOMEN

Programs for Women were conducted as per the approved Gender Annual Plan and were implemented jointly with iLembe District Women's Caucus. The main focus was in areas where a high number Gender Based Violence (GBV) cases were reported. GBV cases were also addressed during the 16 Days of Activism which is being held annually between the 25th of November – 10 December (focussing on women and children). During the same period of 16 Days of Activism, other awareness programmes that get conducted in raising awareness on HIV/AIDS (since the World Aids Day is commemorated during the same period). Other programmes that were conducted targeted woman with disabilities to install high level of confidence, with

some programmes focusing on poverty alleviation through implementation of agricultural programmes (e.g. one home one garden).

(c) PROGRAMMES FOR MEN

The good working relations between the Local House of Traditional leaders and the Political Leadership were maintained where consultative meetings were held between Amakhosi, Political Leadership and MEC Champion. Behavioural change programmes were conducted aimed at addressing ongoing murder cases (due to men killing their loved ones upon being rejected). The Moral Regeneration Movement (MRM) programmes are also conducted and are being led by men, where issues relating to GBV get addressed.

(c) PROGRAMMES FOR SENIOR CITIZENS

The Senior Citizens forum is functional and programmes for Senior Citizens were conducted. The promotion of healthy living lifestyle was promoted through holding of the annual Golden Games for senior citizens. Awareness campaigns on Human Rights were also conducted with some of them targeting old citizens in terms of challenges that they face in their families.

(d) THE STATUS OF GENDER PROGRAMMES AND PEOPLE LIVING WITH DISABILITIES

The District continues to work closely with Disability Forums to address their challenges, including regular implementation of their programmes. The gender annual plan included programmes for the disability sector and they remain active participants in all planned district programmes. The district was involved in collaborative programmes (with all Sector Departments) targeting vulnerable groups and this resulted in gender programmes being implemented effectively and efficiently. The municipality is now implementing more programs for the sector as they are now organised through their Forum.

(e) OPERATION SUKUMA SAKHE (OSS) & HIV AND AIDS PROGRAMMES

OSS is functional with challenges and it differs from one municipality to the other. The District Task Team (DTT) comprised of all Sector Departments Directors and Managers within the district is functional and programs are jointly implemented by sector departments and municipalities and same at the local level where the OSS Local Task Teams (LTTs) jointly implement and or align government programs with municipal programs effectively and efficiently.

The Civil Society continue to assist the district in leading OSS activities and programmes. The District AIDS Council (DAC) remains functional in addressing all HIV/AIDS challenges within the District. The municipal HIV/AIDS Coordinators work closely with the Civil Society on HIV/ADIS programs in wards working with PLHIV sector to ensure the functionality of Local AIDS Council (LACs) and Wards AIDS Committees (WACs). OSS reports get submitted in OSS/DDM Structures (including the Social Cluster and Political Hub), where one of the critical items include resolutions that were taken during OSS Cabinet Day which was held in Maphumulo Local Municipality. Other progress reports include interventions by various municipalities, Sector Departments and the Private Sector in terms of societal and developmental challenges that are identified in various Wards throughout the District.

(f) OPERATION SUKUMA SAKHE (OSS) AND HIV/AIDS PROGRAMMES IMPLEMENTED DURING 2022/23 FINANCIAL YEAR

As per the request from various Wards, monthly HIV/AIDS awareness programmes are conducted in all local municipalities. The programmes are conducted in partnership with the Department of Health, Departments of Education and other various OSS Structures. During re-opening of schools, the District OSS Structures participate during the School Functionality Programme which is normally led KZN Legislature (to monitor functionality in schools). The MEC and HOD Champions continue to support all OSS and other related district programmes.

(g) FUNCTIONALITY OF THE DISTRICT AIDS COUNCIL (DAC's) AND LOCAL AIDS COUNCILS (LAC's)

The DAC remains functional, all quarterly reports were consolidated and submitted to the Office of the Premier and DAC Quarterly meetings were all conducted. The main challenge is where other LACs were not functional but after the Local Government

elections recently held, all structures were revived and there is progress in the functionality of the LACs.

The District Civil Society remains one of the critical structures within the District and its family of municipalities, as it also provides ongoing support to all LACs. The Civil Society also ensures functionality of various Aids structures, including resuscitation Ward Aids Council (WACs) structures throughout the district.

(h) MORAL REGENERATION AND SOCIAL COHESION PROGRAMME (MRM)

The district has a vibrant and functional MRM structure which also plays a leading role towards addressing GBV and other related cases. There is a good working relationship between MRM and District Civil Society where all programmes are implemented in an integrated and co-ordinated manner. Other district programmes are held in partnership with the Office KZN Premier (OTP), with ongoing support being provided by OTP in most district programmes (that are targeting men, led by MRM).

(i) OVERALL ACHIEVEMENTS

- Notable improvement on the attendance by officials in OSS programmes, and this has led to the slight increase in the number of functional War Rooms;
- Deployment of Senior Management by the Office of the Premier had to support Local Task Teams (LTTs) and war rooms continue to yield positive results;
- Local Task Teams are in the process of establishing War Rooms in all Wards;
- Induction on the functionality of OSS was conducted to the new leadership, and the plan is to ensure that ongoing workshop get conducted to ensure that the leadership become champions in all war rooms;
- Implementation of OSS programmes (i.e. HIV/AIDS and poverty alleviation etc) in all local municipalities;
- The DTT is functional with annual programmes being implemented in the wards in the form of bringing government services to the communities

- The District HIV/AIDS Coordinator works closely with local municipalities on the proper implementation of HIV/AIDS Programs, whiie ensuring that all LAC's remain functional;
- Fair representation of sector departments during the District Task Team meetings;
- Alignment of Civil Society and OSS programmes;
- Rollout of OSS empowerment programmes, including holding of Mandela week programs throughout the district; and
- Implementation of the MuniMec Resolution towards ensuring that Operation Sukuma Sakhe forms part of the performance agreements of all Section 56/57 Managers;

(j) CHALLENGES

- Budget constraints to implement some of the OSS programmes that require funding;
- Poorly functional War Rooms due to non-attendance by Sector Departments (resulting in cancellation of scheduled meetings);
- Poor functionality of Local Aids Councils (with progress anticipated during 2023/24 financial year);
- Late submission and non-submission of reports by various officials (including, but not necessarily limited to Sector Departments);
- Poor attendance by Sector Departments in most War Room Meetings;
- Limited budget from Sector Departments leading to non-implementation of interventions;
- Lack of physical infrastructure in some of the War rooms;
- Inability of Ward Committees to attend war room meetings due to the vastness of areas within the District; and
- General dissatisfaction by local communities that get profiled, due to poor implementation by relevant Sector Departments (in terms of identified interventions).

3.3.4 MUNICIPAL HEALTH SERVICES

(a) BACKGROUND

Municipal Health Unit is charged with the responsibility of providing Environmental Health Services to the community of the District as well as monitoring the health and safety of the District Municipal employees. Municipal Health Services (MHS) as defined under the National Health Act, 2003 (Act No. 61 of 2003) comprise of inter alia, food control, water quality monitoring, waste management, health surveillance of premises, environmental pollution control, communicable disease control, disposal of the dead and vector control. Environmental Health Practitioners are therefore responsible for carrying out measures for protecting public health, including administering and enforcing legislation related to health and providing support to minimize health and safety hazards. Some of activities involved includes inspecting food premises, investigating public health nuisances, and implementing disease control Measures, conducting work place safety assessments and accident investigation. Monitoring the quality of water supplied to the communities in the district, Environmental Health is at the heart of public health intervention for the health sector, which is why it is able lead the implementation of public awareness, health promotion and disease prevention, surveillance and inspection of both private and public premises.

During the beginning of the financial year 2022/2023, the unit documented up the annual targets on duties that were to be performed and achieved by the end of the year. The targets were made out of competencies ranging from food control activities, water quality monitoring, communicable disease control, vector control disposal of the dead and pollution control.

Hereunder are some of activities we acted upon which forms major parts of our targets that were the highlights during 2022/2023 financial the year.

(b) Water Quality Monitoring

Water was monitored to ensure quality that is fit for human consumption and ensure that the Water Services Authorities (WSA's) deliver on their mandate to provide water that is safe, for protection of public health (independent oversight role). A total number

of two hundred and fifty-six (256) water samples were taken and analysed by the National Laboratory Services. Where there were minor non-compliances, such were immediately reported to WSA for ratification.

(c) Food Control

Monitor food for safety aspects, with regards to handling, storage, transportation, and serving and in respect to microbiological and chemical quality. Ensuring that food is handled in a hygienic manner from a point of origin (i.e. during production, storage, processing, distribution and sale). All food should be safe, wholesome and fit for human consumption and should conform to the legislative requirements as they relate to safety, nutrition, quality and labelling (expired, use by and sell by). A total of nine hundred and sixty-one (961) food premises were inspected for compliance while reducing the risk of foodborne illnesses.

(d) Waste Management and Surveillance of Premises

Waste Management Services was monitored to ensure proper (collection, storage, and disposal) for public health purposes. In terms of surveillance of premises, there is ongoing monitoring and assessment of conditions in premises that may pose human health hazards and risks, in respect of structure, sanitation, water, ventilation, and hygiene aspects. A number of inspection visits were conducted in response to community issues, with all complaints also responded to.

(e) Communicable Disease Control

The function is done to prevent the occurrence and/or manifestation of environment-related communicable diseases. This includes planning and execution of education and hygiene promotion programmes aimed at preventing environmentally induced diseases and related communicable diseases. Healthy lifestyles, personal hygiene as well as a safe and healthy environment are key to the prevention of diseases. The unit conducted a total of one hundred and forty-one (141) awareness campaigns within the communities of the district.

(f) Vector Control

The unit also monitor conditions that may harbour the spread of vectors and prevention of vector borne diseases for public health. A total of three hundred and eighty-four

(384) vector breeding sites were attended and exterminated in order to prevent the further breeding of identified vectors.

(g) Environmental Pollution Control

Routed monitoring, assessment and control of the quality of indoor and ambient air, land and water management was conducted to prevent pollution that might result to negative impacts on the health of our communities.

(h) Disposal Of The Dead

The function includes monitoring and ensuring the proper handling, transportation, storage, importation and exportation and disposal of human. A number of mortuaries were inspected and funerals monitored especially during the COVID-19 period to prevent the spread of the disease, while ensuring compliance with COVID-19 regulations.

(i) Achievements

(1) One Health Action Group

An OSHAG Forum is fully functional formed by members from district Municipal Health Services (MHS) together with the Department of Health and other stakeholders. The Forum , called One Health Action Group (OSHAG) meets on a monthly basis to discuss health issues affecting communities in our district.

(2) Air Quality Management Plan

In line with Section 15(2) of Municipal Systems Act, currently, MHS is working on an Air Quality Management Plan (AQMP) which is the document aimed at achieving the objectives of National Environmental Management Act (NEMA). The AQMP will also provide mechanisms, systems and procedures to promote holistic and integrated air quality management through pollution prevention and minimization at source, and through impact management with respect to the receiving environment from local scale and consider national issues. The development of a plan is currently at an advance stage and should be finalised and adopted before the end of this financial year.

(3) Office Park Homes for Municipal Health Unit

As a means of bringing service delivery closer to our people, the unit was able to procure two office park homes which are now placed at both Mandeni and Ndwedwe Municipal offices, these park home offices are being utilised by the Environmental Health Practitioners to ensure that all necessary Environmental Health Services are effectively and efficiently rendered to our communities.

(4) Global Hand Washing Event

The 15th of October is dedicated to Global Hand washing advocacy, and to mobilize individuals, households, colleagues, friends, schools, health establishments, and all communities to join hands, observe and commemorate hand washing and hygiene as a proven intervention to curb life threatening preventable diseases, such as diarrhoea. The aim of Global Hand Washing Day is to raise awareness on the importance of washing hands with soap as a key approach to disease prevention.

(5) Corona Virus Response

The unit has been and still involved on different strategies that are aimed at responding to COVID-19. The Unit is involved with different programmes such as awareness campaigns, contact tracing, monitoring of disinfection programmes and monitoring of COVID-19 funerals.

(6) Health Education/ Awareness Campaigns

The Unit also visited a number of schools with the main aim of conducting awareness campaigns, to impact knowledge to young people and communities. A total of fifty nine (59) schools were visited during the period under review. Some of the issues dealt with during school visits include personal hygiene, food safety, communicable disease, rabies outbreak, corona virus etc.

4.1 INTRODUCTION AND OBJECTIVES OF CORPORATE SERVICES DEPARTMENT

The Department renders support service to other Business Units of the Municipality in order to effectively deliver services to the community through the following functions:

- Support Services;
- Human Resources Management;
- Security Services; and
- ICT

The agenda and program of the Department of Corporate Services is informed by the following goals and objectives:

a) *To provide professional administrative support to Council and all Departments and their Business Units of the Municipality;*

b) *To provide effective management and maintenance of the Municipality's facilities and fleet;*

c) *To position the Department as a strategic hub for acquiring the best human resources in the form of skills and talent, nurture and harness human development and growth, recognize and acknowledge excellent performance, empathize and support staff, and strive for retention of the workforce;*

d) *To provide an innovative, effective and efficient Information and Communication Technology service that enables the achievement of the Municipality's objectives as set out in the IDP;*

e) *To provide guidance and support to all Departments and their Business Unit with regards the acquisition, deployment and maintenance of electronic systems within the Municipality.*

f) *To provide an effective security service in accordance with the prescribed Acts, By-laws and Regulations.*

4.2 ACHIEVEMENTS AND CHALLENGES

The achievements and challenges of the Department are presented herein according to the outcomes of the Corporate Services Department's own mini strategic plan which recognized all 5 Units, *i.e. HR, ICT, Support Services, and Security*.

4.2.1 ACHIEVEMENTS

(a) Human Resources:

i. Successful meeting of targets for prescribed compliance submissions, *i.e. EEP & WSP;*
ii. Achieving the equity target in the filling of senior manager positions;
iii. Maintenance of sound and peaceful labor relations;
iv. Provision of meaningful and relevant EAP events;
v. Successful training and development of employees and community, including the unemployed Youth;
vi. Continued implementation of employee long serving and performance Recognition Awards;
vii. Training of Managers on assertiveness and handling of disciplinary matters;
viii. Training on Managers in meeting the minimum competency level as required by National Treasury;
ix. Functional OH&S Committee and increased self-awareness of workers about health and safety issues which has led to reduced rate of incidents.
x. Cascading of IPMS to Middle-Managers.

(b) Information Communication Technology:

i. Improved connectivity to Municipal remote offices through the Wide Area Network (WAN);
ii. Improved internet bandwidth (speed) from 10Mbps to 100Mbps while maintaining cost being at a reasonable price;
iii. Provision of devices, network and virtual meeting platforms to enable continued municipal administrative operations;

iv. Implemented the Automated Performance Management System (APMS) for effective performance & monitoring of municipal objectives as set out in the SDBIP;
v. Upgraded ICT server infrastructure to improve system performance and resilience to changing ICT environment;
vi. Introduction of Energy Efficiency & Renewable Energy Technology in Municipal Buildings and Infrastructure;
vii. Provision of mobile tools of trade (laptops) to all users to enable work from home for business continuity; and
viii. Implemented low cost of document production by introducing digital document sharing platform.

(c) Support Services:

i. Proper management of committees
ii. Adoption of fleet management policy
iii. Adoption of Vehicle Subsidy Policy
iv. Increased the provision of the fleet (*e.g. Water Tankers increase from 15 to 30; TLB from 2 to 4; New Excavator)*
v. Changed the alignment functions and perception that this Division had the responsibility of rendering only Committee Management function instead of Fleet, Records, Facilities Management, Security Management;
vi. Improved physical set up of the Records Management System in order to comply with the Archives legislation;
vii. Electronic distribution of agendas for both Management and Councilors;
viii. Renovation of Municipal Auditorium in compliance to OHSA and
ix. Good monitoring tool of vehicles.

4.2.2 CHALLENGES

(a) Human Resources:

i. Negative effect of Task Remuneration in *attracting* & *retaining* skilled personnel;
ii. Compliance with the EEP not satisfactory;
iii. Shortage of Training Venues, and limited budget for training;

iv. Poor compliance by staff & Councilors with the skills questionnaire affect WSP;
v. Inadequate functioning of the LLF;
vi. Reluctance to testify on cases, and delays in the conclusion of cases;
vii. Effect of Austerity Measures to Wellness programs;
viii. Insufficient Supervisory support to EAP employees;
ix. GEPF delays and a difficult system of processing of claims;
x. Non-registering of beneficiaries by employees;
xi. Unpleasant working conditions: office space, and conditions of the buildings; and
xii. Poor response by Managers and Senior Managers in the adequate implementation of IPM.

(b) Information Communication Technology

i. Limited budget for the implementation of ICT projects;
ii. Inability to attract and retain IT Staff;
iii. Poor Attendance of ICT Awareness Sessions by Departments;
iv. Lack of dedicated municipal vehicle to enable ICT support to remote offices;
v. Lack of user by-in when introducing new technology;
vi. Limited training facilities for specialized ICT skills;
vii. Lack of compliance to ICT processes and procedures by departments (entry & exiting of staff, change of ICT assets); and
viii. Loss, damage & non-returning of ICT assets by users.

(c) Support Services

i. Poor compliance to the Fleet Management Policy;
ii. Non-compliance of municipal facilities to buildings and safety standards;
iii. Lack of accessibility of Municipal offices by people that are specially enabled (Lift/escalators);
iv. Lack of adequate office space and staff parking;
v. Ablution facilities that are over allocated (used by staff and visitors);

vi. Financial constrains to do renovations/extension of the Municipal buildings/building new offices;

vii. Inadequate Council Chamber;

viii. Inadequate monitoring of the use of the vehicles (abuse, damage, & authorization); and

ix. Huge costs of repairing vehicles.

4.3 THE MUNICIPAL PERSONNEL

IDM has developed strong Municipal administrative systems and processes, in line with the prescribed legislative framework and the SALGBC Collective Agreements. It includes ensuring that all positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building is being provided for Councilors and Municipal Officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programs.

The basic requirements that are implemented and monitored include:

(a) Ensuring that the top six posts (Municipal Manager, Finance, Technical Services, Corporate Services, and Community Services) are filled by competent and qualified persons.

(b) That the Municipal staff establishment (organogram) is realistic, underpinned by service delivery model, and affordable.

(c) That there are implementable human resources development and management programs.

(d) There are sustained platforms to engage organized labor to minimize disputes and disruptions.

(e) Maintaining adequate levels of experience and institutional memory; and

(f) Effective attention to the emotional and psychological wellness of employees in order to be productive.

4.3.1 The Staff Structure

The amended / reviewed staff establishment of the Municipality was adopted and approved by Council on the 27 May 2022. The amendments / review of the staff establishment was done to make the Municipal Staff Establishment to be aligned with the strategic directive of the new Council's term of office, *i.e. 2021 – 2026*.

The amendment / review of the Staff Establishment resulted with the creation of new posts which added to the number of vacant posts in the Municipality. The table below provides a summary of the staff establishment of the Municipality:

ESTABLISHMENT	NUMBER OF POST	STAFF COMPLEMENT	UNBUDGETED POSTS	SHARED SERVICE	VACANCIES	% VACANCY (Calculated In Terms Of Filled Posts)
TOTAL POSTS	771	614	Nil	2	157	80%

TURN-OVER-RATE			
Details	**Total Appointments as of the Beginning of Financial Year**	**Terminations during the Financial Year**	**Turn-over-rate (%)**
2012/2013	**456**	**44**	**9.64%**
2013/2014	**559**	**35**	**6.26%**
2014/2015	**553**	**3**	**0.54%**
2015/2016	**577**	**15**	**2.60%**
2016/2017	**582**	**43**	**7.38%**
2017/2018	**561**	**29**	**5.61%**
2018/2019	**567**	**28**	**4.93%**
2019/2020	**559**	**32**	**5.72%**
2020/2021	**546**	**36**	**6.59%**
2021/2022	**543**	**15**	**2.7%**
2022/2023	**617**	**14**	**2%**
2023/2024	**614**	**17**	**2.7%**

The approved staff establishment indicate that the Municipality has a total of 771 approved posts, 617 posts are filled, and 154 posts are vacant. The vacancy rate is calculated in terms of the filled posts, which amounts to 81%.

4.3.2 Employee Totals, Turnover and Vacancies

Termination is deemed fair if is it in line with Section 188 of the Labor Relations Act which state that termination should be based on *operational requirements, ill-health, and conduct*. The terminations from the Municipality during this financial year has been low. This can be attributed to a variety of factors which include

increased motivational programs that were aimed at boosting the morale of the employees, and of course the difficult economic situation which has resulted with job opportunities.

(a) Findings from Exit Interviews

Employees who voluntarily leave employment with IDM, are always encouraged to take part in a confidential exit interview. The interview is held either with a member of the Human Resources Unit, or with their respective superior. Records and figures of the employees leaving, and their reasons are monitored and reported on a monthly basis. A total of 03 employees have voluntary left IDM. Their reasons as collected from the data in their exit interview files, vary and include the following:

1) *leaving IDM voluntarily because of a lack of advancement and a better opportunity in another institution;*
2) *salary improvement (the Task Age Curve seem to be not attractive for retention, particularly to the employees who are Personal-To-Holder);*
   and
3) *commuting problems and family challenges.*

Notwithstanding, the attitudes of most people leaving IDM were positive towards the Municipality. Most people stated that IDM has a good organizational culture, had sound relationships with colleagues and Managers, their departure was largely due to balance between work-life and family, as well as greener pastures.

4.3.3 Managing the Municipal Workforce

The successful delivery of services is dependent on the staff that strictly adhere to the Batho-Pele Principles. The strict adherence to legislation, Policies, Batho-Pele Principles, means that ALL Municipal staff should be competent, professional, impartial, sensitive, compassionate, dedicated, and committed. The achievement of the noble ideal for the successful delivery of services is guided by the management who is constituted and represented as follows:

OCCUPATIONAL LEVELS	MALE				FEMALES				TOTAL
	A	C	I	W	A	C	I	W	
Senior Management	2	0	0	0	2	0	0	0	4
Management	14	0	1	0	10	0	1	0	25

The table above reflects the composition of managers comprising of the top layer that consist of the Municipal Manager and 4 Senior Managers of Departments of Corporate Services, Technical Services, Finance, and Community Services. There is currently one vacancy, Senior Manager: Corporate Services. Hence the table reflects 4 instead of 5.

The policies together with all relevant legislation, the Collective Agreements as agreed upon at the South African Local Government Bargaining Council (SALGBC), and the various Regulations that are provided by COGTA, are used to ensure proper management and governance in the Municipality. This is done through collective actions that ensure adherence to the following:

a) *the development and maintenance of a sustainable Staff Establishment that is geared and designed for effective and efficient service delivery,*
b) *the fair recruitment process that is focused on the merit requirements that are consistent with the task to be performed for the improvement of the quality of lives (compliance with relevant legislative framework: EEA etc.),*
c) *the up-skilling and development of staff that is based on both the individual willingness to improve his/her skills and qualifications, as well as the Municipality that provides a conducive environment for individual, group, and institutional development and growth (budget and training facilities within the available financial means),*
d) *the up-skilling and development of Councillors that is based on both the individual willingness to improve his/her skills and qualifications, as well as the Municipality that provides a conducive environment in order for the Councillors to be able to progress beyond the political domain,*
e) *the development and empowerment of the community served by the Municipality through meaningful internships and learnerships that contribute to the skills development of the District, Province and the country at large (Youth given more priority),*
f) *maintenance of sound and stable labour relations through LLF and quarterly bilateral engagements,*
g) *the continued support of staff through the EAP activities that promote wellness in order to effectively contribute to service delivery,*
h) *improving performance for effective service delivery through the cascading of the Performance Measurement System (consideration of the financial impact in the light of the current circumstances),*
i) *the reinforcement and strengthening of the conducive work environment through adherence and compliance with the legislative framework on Occupational Health & Safety (starting point being the urgent appointment of the OH&S Officer),*

j) *serious consideration and implementation of the skills attraction and retention approach, system, and mechanism.*

4.4 HR POLICIES AND PLANS

The Policies which are listed in the succeeding table, continuously get reviewed in order to ensure their relevance and compliance with the developments and amendments to legislations, regulations, and SALGBC collective agreements.

HR POLICIES AND PLANS				
No.	**Name of Policy**	**Completed %**	**Reviewed %**	**Date adopted by council or comment on failure to adopt**
1.	Employment Equity and Affirmative Action	100%	100%	The Municipality Employment Equity Plan addresses Affirmative Action issues.
2.	Employment Equity and Affirmative Action	100%	100%	The Municipality Employment Equity Plan addresses Affirmative Action issues.
3.	Attraction and Retention	100%	100%	Adopted by Council on the 28 June 2018.
4.	Code of Conduct for employees	N/A	N/A	Compliance with Schedule 2 of the MSA, and Annexure A of the SALGBC Collective Agreement
5.	Delegations, Authorization & Responsibility	100%	100%	Guided by the legislative framework, and the adopted Municipal Policy
6.	Disciplinary Code and Procedures	100%	100%	SALGBC Collective Agreement
7.	Essential Services	100%	100%	Adopted by Council on the 28 June 2018. To be reviewed in 2023/24.
8.	Employee Wellness Programme	100%	N/A	Policy was developed and finalized in June 2015. To be reviewed in 2023/24.
9.	Exit Management	100%	100%	Covered in the Retention Policy
10.	Grievance Procedures	N/A	N/A	Guided by the legislative framework, *i.e. MSA*.
11.	HIV/AIDS	100%	N/A	Policy was developed and finalized in June 2015. To be reviewed during 2023/24.
12.	Human Resource Development Strategy	100%	100%	Under review, awaiting Council resolution.
13.	Information Technology	100%	100%	June 2016
14.	Job Evaluation	100%	100%	All Job descriptions submitted to the SALGA JE Committee
15.	Leave Management	100%	100%	Under review, awaiting Council resolution.
16.	Occupational Health and Safety	100%	100%	Under review, awaiting Council resolution.
17.	Official Housing	N/A	N/A	Covered by the SALGBC: Collective Agreement
18.	Official Journeys	N/A	N/A	Covered by the Municipal Subsistence and Travel Allowance Policy
19.	Official transport to attend Funerals	N/A	N/A	Covered in the Bereavement Policy to be finalized
20.	Official Working Hours and Overtime	100%	100%	Guided by the legislative framework, *i.e. LRA and the Municipal Policy.*
21.	Organizational Rights	N/A	N/A	Guided by the legislative framework LRA, and the SALGBC: Collective Agreement
22.	Payroll Deductions	N/A	N/A	Legislated
23.	Organizational Performance Management and Development	100%	100%	Under review, awaiting Council resolution.
24.	Recruitment, Selection and Appointments	100%		Under review, awaiting Council resolution.

25.	Remuneration Scales and Allowances	N/A	N/A	Decided through the SALGBC: Collective Agreement and COGTA Regulations for Councilors, MM, and Snr Managers.
26.	Resettlement	N/A	N/A	Covered in the Recruitment and Selection Policy
27.	Sexual Harassment	100%	N/A	To be reviewed during 2023/24.
28.	Skills Development	100%	100%	To be reviewed during 2023/24.
29.	Smoking	N/A	N/A	Covered in OHS Policy
30.	Special Skills	N/A	N/A	Still to be developed
31.	Work Organization	N/A	N/A	Still to be developed
32.	Uniforms and Protective Clothing	100%	100%	To be reviewed together with the OH&S Policy.
33.	COVID 19 Policy and SOP's	100%	N/A	Adopted by Council Meeting on 06 June 2020: Resolution C 661

4.5 Leave Management

The leave management within the Municipality is implemented in accordance with the prescripts of the SALGBC: Main Collective Agreement, Leave Management Policy of the Municipality, and applicable legislations. The leave system has the following categories: annual leave, sick leave, family responsibility leave, maternity leave, study leave, and special leave.

LEAVE MANAGEMENT					
Details	**Annual**	**Sick leave**	**Family Res. Leave**	**Maternity Leave**	**Special Leave**
2017/2018	**10388**	**3913**	**249**	**482**	**106**
2018/2019	**10994**	**3634**	**322**	**280**	**57**
2019/2020	**11087**	**5738**	**283**	**268**	**44**
2021/2022	**12170**	**3543**	**296**	**559**	**55**
2022/2023	**9778**	**2887**	**12**	**189**	**12**

a) Annual leave

Each employee is entitled to twenty-four (24) days annual. The collective agreement and policy stipulate that employees are compelled to take sixteen (16) leave days and can only retain a maximum of forty-eight (48) days as accrued leave. The annual leave is the only type of leave that accrues and it has a huge financial impact to the Municipality, if not managed accordingly.

The implementation of twenty-four-hour shift system has led to an increase in a number of people who accrue their annual-leave. There are also a very minor incidents of leave being allowed to accrue, particularly towards pension or resignation. Follow up letters have been written to the employees to encourage them to take the annual leave in adherence with the Main Collective Agreement and Leave Management Policy.

b) Sick leave

Each employee who fall within the SALGBC domain and regimes, is entitled to 80 days sick leave in a period of a three-year cycle. The sick-leave for the Municipal Manager and Senior Managers reporting to him, is controlled through the COGTA Regulations which entitle them to 36 days of sick leave within the period of 36 months.

While the abuse of the sick leave has improved significantly, there is a serious concern regarding employees who have either exhausted or utilized more than (60%) of their sick leave prior to their three-year cycle. In simple terms they have less than thirty (30) even zero sick leave balances. Letters have been written to the affected employees advising them regarding their sick leave days balances. Supervisors have been alerted and requested to conduct assessments in respect of these employees as they might require other appropriate interventions, *i.e. employees' assistance programs and assessment for potential medical boarding.*

c) Family responsibility

The family responsibility leave is guided by the Collective Agreement. An employee is entitled to a non-accumulative 5 days annually.

d) Maternity leave

Female employees are entitled to receive three (3) months paid maternity leave per confinement, with no limit to the number of confinements, provided that an employee has one (1) year service with the Municipality. Whilst doing leave audit, it was found that some employees do not apply for maternity leave, four (4) weeks prior of taking such leave, in terms Section 25 (2) (b) of Basic Conditions Employment Act 75 of 1997 as amended. The matter was addressed accordingly after it had been brought to the attention by an Internal Auditor's query. The Policy will be reviewed to improve control mechanism.

e) Special leave

Special leave on full pay is granted to an employee in accordance with the SALGBC Collective Agreement of the KZN Division, and Leave Management Policy. The special leave is done under the following instances:

i. Court appearances by employee as witness;
ii. Study purposes;
iii. National and provincial sports representation;
iv. The application for this leave must be accompanied by documentation that supports the application; and
v. The leave is limited to a maximum of 10 days per annual cycle.

The study leave is the most prevalent leave under special leave, since more Municipal employees have joined the Municipal Assisted Education Scheme in terms of applicable policy. Employees are given 2 days leave to prepare and write exams.

4.6 Occupational Health And Safety Including Injuries

The municipality is obliged to comply with the Occupational Health and Safety Act and Regulation 85 of 1993. The municipality's Occupational Health and Safety Unit is responsible for assuring health and safety compliance. The OH&S Officer is frequently and directly involved in various workplaces for the municipality's occupational health and safety issues.

The Municipality has always maintained a remarkable low record of fatalities and/or serious injuries on duty. The EAP and OH&S roadshows and awareness events, as well as the election of Occupational Health and Safety Representatives in each Department, has also significantly contributed to the wellbeing of employees of the Municipality and a low level of injuries.

The Officer: Occupational Health and Safety, accompanied by a colleague who is the member of the Health and Safety Committee, makes regular visits to the workplaces of the Municipality in order to provide an informed situational analysis. The workplace site visits involve a brief discussion with some employees and Supervisors at depots, and also a meeting with the Health and Safety Representatives, and representatives of trade unions. The visits also involve going to remote plant workplaces, and also some areas where there is construction in order to assess the plant and perimeter, construction work and interview the employees and operators.

The Municipality has also ensured compliance with the protection of workers from hazardous biological agents' prevention through immunization, and the election of the OHS Committee members. Employees working with wastewater treatment and any such exposed environment, must at a particular period, be vaccinated to prevent infection with hazardous biological agents (HBA). The vaccine is intended to protect workers from infectious agents like bacteria and viruses that can enter the body via the following routes:

EXPOSED BODY PART	POTENTIAL DISEASE
Skin: all body skin, membranes of the eye, mouth, and nostrils	wound infections, tinea, and eye infections
Ingestion: mouth, face, nose region, hands while eating, drinking, and smoking	cholera, diarrhoea, dysentery, hepatitis A, typhoid, and polio
Inhalation (breathing)	pneumonia, gastro, and influenza-type illnesses.

The program for vaccination was developed for all of the employees exposed to wastewater treatment or sewage work. They were to be immunized for Tetanus, Typhoid, Hepatitis A, and Hepatitis B. The total number of employees affected was 240, although not all of them were immediately due for vaccination. The schedule was developed to have them vaccinated in phases that should start from the first to the third quarters of the 2023/2024 financial year.

4.7 Capacitating the Municipal Workforce

The Municipality remain committed to the development of internal and external capacity by providing various skills development interventions aimed at improving the performance of individual employees, Councillors and providing skills to unemployed youth within the District. The HRD Committee, ensures that the Workplace Skills Plan (WSP) which is aligned to the Municipality's strategic objectives, is developed annually in line with the Skills Development Act and Local Government Sector Education and Training Authority (LGSETA) guidelines.

Funding to implement learning programmes is provided by the Municipality or sourced from the LGSETA. There instances where external service providers approach the Municipality with a good programme which is already funded by the SETA that is not within the sector of local government. Such programmes are

assessed by the Municipality's skills office and approved if they are legitimate and contribute to the improvement of skills within the District.

The Workplace Skills Plan focused on the following learning programmes:

LEARNING PROGRAMMES	NUMBER OF BENEFICIARIES	
	MUNICIPAL OFFICIALS	UNEMPLOYED
Municipal Finance Management Programme	10	
Computer Literacy	5	
Various Formal Studies	8	
Water Process Control Learnership	30	
Auditing Workshop	4	
Work Integrated Learning (Public Management)		10
Advanced GIS Programme	2	

4.8 Individual Performance Management System

The performance management system (PMS) at local government is prescribed by various legislation which includes the Municipal Systems Act (MSA), the Municipal Planning and Performance Management Regulations (MPPMR), the Municipal Finance Management Act (MFMA), the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager and the Framework for Programme Information (FPPI) issued by National Treasury.

The performance management system at IDM has thus far been implemented at organisational and senior management only. The Municipality has since complied with the directives from both COGTA and SALGA, regarding the cascading of PMS to all individual employees of the Municipality. The process to cascade within IDM started early in 2017 with adoption of the policy titled: ***Performance Management Policy & Procedure***. The Policy was developed in collaboration with all the four Local Municipalities, in order to ensure uniformity within the District.

The HR Unit which is responsible for the implementation of IPMS which is done through the HR Officer: Performance Management. The IPMS section has directly and indirectly assisted Middle-Managers to develop their Performance Plans / Agreements that must be signed in the 2023/2024 financial year through workshops

held and consultations with their respective Senior Managers. The review process has been somehow sluggish but there is improvement from the previous years. The ICT module on IPMS has been acquired, and this is hoped to improve and fast track the whole process of implementation.

4.9. Labour Relations

"a sound industrial relations system is the one in which relationships between management and employees (and their representatives) on the one hand, and between them and the State on the other, are more harmonious and cooperative than conflictual and creates an environment conducive to economic efficiency and the motivation ..." Andrew Levy - 07 Aug 2014

The basic HR/labour responsibilities that the Municipality must deal with relate to ensuring the balance between management and employees, dealing with disputes, and maintaining good relations with the Trade Unions. IDM has labour relations that are to an extent, cordial and cooperative. There is mutual respect and commitment to continuously engage. However, the existence of cordial labour relations does not mean the absence of contradictory issues. Most of the issues are dealt with at the SALGBC sanctioned structure, i.e. Local Labour Forum (LLF).

The LLF is further supplemented with various sessions of engagements with organized labour, in order to strengthen the relations. The said sessions include bilateral meetings between the Unions and Management, Unions and the TROIKA, and a unique arrangement of the Labour Relations Lekgotla which is held annually in order to cement the relations through a frank engagement outside the rigid formal process of the LLF.

4.9.1 Discipline, And Suspensions

IDM complies with the SALGBC Collective Agreement in the application of discipline, and strictly adhere to the principles of natural justice. A total of **14** cases, including a labour court matter, have been undertaken in the Municipality and their status is presented in the table below:

DISCIPLINARY CASES		
NATURE OF CHARGES	SANCTION / STATUS	NUMBER OF EMPLOYEES

Gross Misconduct	Warning	1
Gross Misconduct	Final warning	1
Gross Misconduct	Suspended	1
Gross Misconduct	Dismissal	1
Gross Misconduct	Not Guilty	0
Gross Misconduct	Ongoing cases	4
SALGBC: Conciliation	Dismissal appeal	0
SALGBC: Arbitration	Dismissal appeal	1
Labour Court	Awaiting date for the matter that was referred by staff transferred from KwaDukuza Municipality.	1

4.10 Managing Workforce Expenditure

Total Employees costs for the financial year under review amounted to R267 268 229.00. This represents 97% spending on salaries budget. The variance is attributed to savings amongst others due to unfilled posts. Overall, the employee costs represent 28% of total operational expenditure which is well within the 35% threshold as per National Treasury guidelines. The overtime expenditure amounted to R4 991 997.

(a) REMUNERATION PACKAGES OF THE MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipality complies with the COGTA Notice 3541, Government Gazette No 48789 of 14 June 2023 as issued by National Minister of COGTA, i.e. *Local Government Remuneration Framework for the Remuneration Packages Payable to Municipal Managers and Managers directly accountable to Municipal Managers.* The current total remuneration packages of the Municipal Manager and the Managers reporting to the Municipal Manager is therefore structured as follows:

DESIGNATION OF SENIOR MANAGER	ACTUAL REMUNERATION	
	TOTAL SALARY PACKAGE IN TERMS OF 2023 NOTICE	TOTAL SALARY PACKAGE IN TERMS OF 2023 NOTICE
MUNICIPAL MANAGER	R1 237 607.00	R1 213 607.00 R1 411 174.00 R1 608 718.00
SENIOR MANAGER: TECHNICAL SERVICES	R1 034 855.00	R1 016 855.00 R1 158 646.00 R1 315 065.00
SENIOR MANAGER: COMMUNITY SERVICES	R1 034 855.00	R1 016 855.00 R1 158 646.00 R1 315 065.00
CHIEF FINANCIAL OFFICER	R1 034 855.00	R1 016 855.00 R1 158 646.00 R1 315 065.00
SENIOR MANAGER: CORPORATE SERVICES	R1 034 855.00	R1 016 855.00 R1 158 646.00 R1 315 065.00

1) The post of Senior Manager Community Services became vacant from 01 July 2022, Municipal Manager vacant from 01 September 2022, CFO vacant from 01 October 2022, and Corporate Services vacant from 01 November 2022.

2) The actual remuneration packages paid to the Municipal Manager and Managers directly accountable to the Municipal Manager (as displayed in the table above) include telephone allowances

4.11 Participation In The DDM Governance Cluster

The IGR Corporate Services Forum which became into being in 2016/2017, was augmented with the Governance Cluster of the DDM. The Forum consist of all the Directors of Corporate Services and the HR Managers from the family of Municipalities under IDM. The Forum meet monthly, to among other things, ensure that Municipalities share and empower one another on issues relating to Policies, Job Evaluation, compliance with all relevant legislation and Regulations, particularly relating to HR, and above all strategies to maintain workplace peace in Municipalities within the District. The Forum reports all its activities to the Governance Cluster, which in turns report to all the DDM structures.

5.1 INTRODUCTION

The primary objective of this section is to provide information that would be useful to users of the annual financial statements for accountability and decision-making purposes by enabling them to gain an insight into the operations of iLembe District Municipality. It also provides the opportunity to reflect on the Municipality's interpretation of significant items, transactions and events affecting the financial performance and cash flows of the Municipality. The financial statement analysis provided herein seeks to complement the financial information recorded in the 2022/23 Audited Annual Financial Statements. Furthermore, this financial statement discussion and analysis is consistent with the 2022/23 Audited Annual Financial Statements from the perspective of the underlying items, transactions and events, as well as assumptions such as those relating to recognition and measurement.

The compilation of the Annual Financial Statements is governed by the regulatory requirements that are prescribed by firstly the South African Standards of Generally Recognized Accounting Practice (SA Standards of GRAP), requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2022 (Act No.5 of 2022) (DoRA). The Accounting Officer ("Municipal Manager") is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and the DoRA, and for such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In terms of the MFMA System of Delegations as adopted by the Municipal Council of the iLembe District Municipality, the Chief Financial Officer (CFO) is directly responsible for the preparation and fair presentation of the financial statements and for the internal controls that are necessary to enable the preparation of financial statements that are free from material misstatement. Hence the CFO is required to undertake and manage all relevant work outputs to achieve the final

preparations and submission to the Accounting Officer to meet the prescribed time frames.

5.2 COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Despite the volatile economic conditions under which iLembe District Municipality operated during 2022/23 financial year, the Municipality continued to thrive as a going concern and is to remain as such within a forceable future as at the date of reporting the 2022/23 financial results. The Municipality had an overall surplus of R4124958 million in the 2022/23 financial year compared to the surplus of R170367 million in the prior year.

The table below summarises financial performance results of the Municipality for the year ended 30 June 2023 (i.e. comparison of actuals versus budget).

Description	Original Budget	Final Budget	Actual Income / Exxpenditure
Exchange Revenue			
Service Charges - Water	220 087 044	271 180 433	248 165 785
Service Charges - Sanitation	70 216 720	70 111 720	63 416 012
Interest earned - external investment	16 189 509	16 189 509	23 627 600
Interest earned - outstanding receivables	21 341 016	60 341 073	62 210 086
Dividends	-		19 000 000
Rental of Facilities	5 922	-	-
Operational revenue	9 190 101	77 658 034	19 817 842
Agency Services	2 060 819	2 060 819	2 135 600
Non-Exchange Revenue			
Fines and Penalties	134 402	726 473	539 709
Licences or Permits	40 000	40 000	8 223
Gains	125 517 399	123 674 985	2 455 702
Transfers Recognised - Operational	734 686 519	771 839 393	756 040 343
Total Revenue (Excluding Capital Transfers & Contributions	**1 199 469 452**	**1 393 822 439**	**1 197 416 903**
Employee Related Costs	277 283 700	272 332 106	242 837 692
Remuneration of Councillors	13 882 814	11 235 480	10 513 970
Debts Impairment	22 987 456	23 085 919	275 587 435
Depreciation & Amortisation	109 016 479	111 447 408	127 681 028
Impairment	5 000 000	5 000 000	95 727
Finance Charges	4 823 034	3 592 110	4 047 319
Inventory Consumed	271 904 324	248 783 619	134 263 301
Contracted Services	187 466 177	274 179 534	256 037 659
Transfers and Subsidies	38 289 958	38 289 958	38 289 958
Operational Cost	152 591 606	248 247 851	167 746 393
Lossed	109 655 727	109 655 727	108 586 008
Total Expenditure	**1 192 901 276**	**1 345 849 713**	**1 365 686 490**
Surplus / (Deficit)	**6 568 177**	**47 972 726**	**(168 269 588)**
Transfers Recognised - Capital	277 498 003	318 056 994	287 413 513
Transfers and subsidies - Capital (in-kind-all	-	10 500 000	5 814 850
Contributions Recognised - Capital & Contributed Assets	-	-	-
Surplus / (Deficit) After Capital Transfers & Contributions	**284 066 180**	**376 529 720**	**124 958 775**

The following financial items presented in the statement of financial performance of the iLembe District Municipality are considered valuable and significant in gaining the understanding of the financial performance of IDM.

(a) Revenue from Exchange Transactions

Revenue from exchange transactions increased by 15% compared to the prior year. This increase encompasses both the inflationary increases on the income billed to customers for services rendered by the Municipality as well as an increase attributable to the increase in the number of billed consumers.

(b) Government Grants and Subsidies

IDM is heavily reliant on Government Grants and Subsidies. Grants and subsidies accounted for 70% of the total revenue of the Municipality. It has increased by 14% compared to the prior year which is mainly attributable to the Municipality having received additional grant allocations during the 2022/23 financial year. These additional allocations consisted of Water Services Infrastructure Grant, Disaster Recovery Grant as well as Accelerated Water Intervention Grant funding.

(c) Personnel / Employee Related Costs

The employee related costs (including remuneration of councillors) accounted for 18.6% of the total operating expenditure and this is well within the National Treasury guideline (norm) of 25 – 40%. This has increased by 1.6% compared to the previous year and this is mainly due to the generic salary increases based on the applicable cost of living adjustments as determined through the South African Local Government Bargaining Council (for employees) and the Department of Cooperative Government and Traditional Affairs (for Councillors). Other changes are as a result of factors such as employee attrition and labour turnover.

(d) Repairs and Maintenance

This ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. National Treasury has set the guideline of 8% as a percentage of the carrying value of property, plant and equipment at reporting date as a norm.

During the financial year under review, repairs and maintenance accounted for 8.7% of the total operating expenditure whilst it is only 4% of property, plant and equipment. It has increased by 35.9% compared to the previous financial year which (in the main) is basically reflective of the inflationary linked increase.

The ratio of 4% achieved is way below the National Treasury guideline of 8% and the gap is attributable to the lack of funds that are required to get to the targeted ratio (i.e. National Treasury Norm). As part of its main strategic objectives for the period 2021/22 to 2026/27, the Municipality will be gradually increasing its target on this ratio with a view of narrowing the gap and thereby getting closer to 8%.

(e) Finance Costs

Finance costs accounted for 0.3% of the total operating expenditure. It has decreased by 52.7% compared to the prior year which is attributable to the correction of accounting errors effected during 2021/22 financial year relating to the discounting of financial instruments after undertaking fair value adjustments on financial liability linked to moneys owed to Umgeni Water Board in lieu of capital contributions towards the construction costs of Mgeni Mooi Transfer Scheme (otherwise known as the Spring Grove Dam).

(f) Operational Costs

Operational costs comprise mainly of electricity and water, fuel and oil, telephone costs, audit fees and various other insignificant expenditure items. It accounted for 15,3% of the total operating expenditure and increased by 22,7% compared to prior year, mainly due to inflationary increases.

5.3 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The Municipality spent 81% of Capital Expenditure Budget during the 2022/23 financial year. This is almost 19% less than the acceptable norm of 95%-100%. Municipal Disaster Relief Grant and Accelerated Water Intervention Grant contributed significantly into underspending in Capital Projects (i.e.100%) followed by internally funded Capital Projects (Acquisition of Backup Generator Sets at 100% as well).

Other than the above-mentioned underspending on grant funded projects, all other grant allocations funding capital projects were fully spent.

Below is a snapshot of Capital Expenditure by Source against Budget.

Description	Original Budget	Final Budget	Actual Income / Exxpenditure
Capital Expenditure & Fund Sources			
Transfers and subsidies - capital	252 321 742	276 571 301	250 829 811
Pubic Contributions and Donations		10 500 000	5 814 850
Borrowings	57 566 888		
Internally Generated Funds	38 117 532	51 604 677	16 228 041
Total Sources of Capital Funds	**348 006 162**	**338 675 978**	**272 872 702**

5.4 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

iLembe District Municipality was in a net assets position as at 30 June 2023 i.e. the total assets exceeded the total liabilities by over two billion rand. The following financial items presented in the statement of financial position of the District Municipality are important and significant in gaining the understanding of the liquidity position of the Municipality.

(a) Debt/Liability Management (Solvency and Liquidity)

Generally, overall debt/liability management of iLembe District Municipality is considered fairly good. Notwithstanding all efforts that have enabled the Municipality to get to the current position, a great deal of improvement is still required to manage the Municipality's liquidity most particularly on a short-term basis.

(b) Current Ratio (Liquidity Test)

The current ratio for the 2022/23 financial year was 1.61:1 whilst it was of 1.63:1 during 2021/22 financial year. For both the financial years under review, the liquidity ratio has been within the norm of 1.5:1 to 2:1 per National Treasury Guidelines. This indeed signifies drastic improvement from the historical consistent underperformance in this ratio during the financial years 2018/19 and before. Below is a snapshot of the historical performance in terms of liquidity position over the past 5 years.

	2022/23	2021/22	2020/21	2019/20	2018/19
Liquidity Ratio	1.61:1	1.63:1	1.68:1	1.20:1	0.91:1

Cash and Cash Equivalents

The Municipality was in a positive cash position of R281 505 million as at 30 June 2023 (R202 787 million in 2021/22) and this translated into 83 days cash on hand which is equivalent to just over 2 months. This was well above the set target of between '30 and 60' days cash on hand and has increased by 22 days compared to 61 days reported for the period ended 30 June 2023.

During the past 12 months, the Municipality has been able to consistently meets its critical financial obligations including paying all major accounts on time, honouring debt obligations as well as having an extra one-month buffer to cater for salaries obligations which serves as a safety net to be able to pay salaries without receiving any additional revenue.

This achievement signifies drastic improvement in the Municipality's liquidity ratios compared to the previous financial years as in both cases, the Municipality was well within the National Treasury's norm of 1 to 3 months' cash on hand.

Cash and cash equivalents accounted for 39.5% of current assets and 7.7% of the total assets of the municipality. Balance on cash and cash equivalents slightly declined during 2021/2022 financial year compared to the 2021/22 financial year and this decline is mainly attributable to the improvement in the efficiency of the Municipality in settling short term obligations coupled with the impact of additional allocation of Equitable Share during 2021/22 financial year as alluded to in the foregoing paragraph.

(c) Improving Financial Strength and Liquidity

With effect from 2020/21 financial year, the Municipality embarked on an initiative of building a strong investment base. The primary objective of this initiative was to ensure that reserves are fully cash backed. The initial phase of this investment drive is focusing on establishing "Asset Replacement Reserve Fund" whose underlying objective is to ensure availability of funds to

finance replacement of fully depreciated assets when such a need arises. As at 30 June 2023, this fund had grown into R38 996 million.

Apart from investments that focus on long term projects, the Municipality also has investment portfolios that cater for short term financial needs such as the Municipality's working capital. The total investment portfolio at year ended 30 June 2023 (excluding ring-fenced grant funds) stood at R118 790 million and this is anticipated to grow beyond R120 million during 2023/24 financial year.

5.5 OTHER FINANCIAL MATTERS

ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Note	2023 R	2022 R Restated
ASSETS			
Current Assets			
Cash and cash equivalents	3	281 504 897	202 786 719
Trade and other receivables from exchange transactions	2	102 170 011	243 428 151
Inventories	5	12 105 992	10 708 413
Total current assets		**395 780 899**	**456 923 284**
Non-current assets			
Non-current receivables	6	1 494 993	1 250 785
Other non-current financial assets	4	100	100
Property, plant and equipment	10	2 959 799 026	2 816 055 122
Intangible assets	12	5 709 908	8 505 261
Heritage Assets	11	205 578	205 578
Total non-current assets		**2 967 209 605**	**2 826 016 846**
Total assets		**3 362 990 504**	**3 282 940 130**
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	13	182 843 213	186 884 970
Consumer Deposits	14	6 054 131	5 915 094
Trade and other payables from non - exchange transactions	15	45 757 289	36 731 868
Current portion of borrowings	16	8 728 787	7 869 646
Current portion of finance lease liability	17	1 828 426	12 456 066
Current portion of financial liability:Umngeni Water CUC	48	-	29 168 076
Current portion of employee benefits	49	1 269 460	1 188 736
Total current liabilities		**246 481 305**	**280 214 456**
Non-current liabilities			
Non-current borrowings	16	15 047 915	23 474 208
Non-current finance lease liability	17	-	1 828 426
Non-current financial liabilities:Umngeni Water CUC	48	0	0
Employee benefits	49	15 984 546	16 905 077
Total non-current liabilities		**31 032 461**	**42 207 711**
Total liabilities		**277 513 766**	**322 422 167**
Net assets		**3 085 476 738**	**2 960 517 963**
Accumulated surplus		3 085 476 738	2 960 517 963
Total net assets		**3 085 476 738**	**2 960 517 963**

5.8 QUARTERLY INFORMATION ON GRANTS

The following tables provide a detailed analysis of grant funds broken down per quarter covering the financial year under review (2022/23) as well as the two immediate previous financial years (i.e. 2021/22 and 2020/21). These grant funds were received both from the KwaZulu Natal Provincial Government as well as National Government for purposes of eradicating water and sanitation backlogs, refurbishment of aged infrastructure, stimulating local economic development as well as responding to national disasters.

QUARTERLY INFORMATION ON GRANTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 AS WELL AS TWO PREVIOUS FINANCIAL YEARS (2021/22 AND 2020/21)

Grant Details	Amount Received and Spent each Quarter (R'000)									
Grant name, purpose/project (list individually)	**1 Jul 2022 to 30 Sep 2022**		**1 Oct 2022 to 31 Dec 2022**		**1 Jan 2023 to 31 Mar 2023**		**1 Apr 2023 to 30 Jun 2023**		**Total (Rand)**	
	Rec	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**
Municipal Infrastructure Grant	135,000	56,647	50,000	74,112	36,475	81,353	-	9,362	**221,475**	**221,475**
Water Services Infrastructure Grant	125,000	22,478	35,000	16,627	40,000	41,528	-	9,822	**100,000**	**90,455**
Finance Management Grant	1,000	112	-	97	-	239	-	552	**1,000**	**1,000**
Expanded Public Works Programme	1,360	3,797	2,448	437	1,631	-	-	(3,612)	**5,439**	**5,439**
Rural Roads Assets Management System	1,701	290	-	1,118	1,379	-	-	120	**3,080**	**2,359**
Transfer and Registration of Individual Sites in Maphumulo	-	-	-	-	-	-	-	-	-	-
Accelerated Water Intervention - Sokesimbone Water Supply and Driefontein Water Supply Grant	13,459	-	-	15,278	-	(2,659)	-	840	**13,459**	**13,459**

Accelerated Water Intervention - Rehabilitation of Nsuze Dam and Sibumbini Dam Grant	2,700	-	-	-	-	2,659	-	41	**2,700**	**2,700**
Accelerated Water Intervention – Sonkombo Water Reticulation Grant	-	-	-	-	13,000	-	-	2,541	**13,000**	**2,541**
Accelerated Water Intervention – Borehole Water Supply	-	-	-	-	3,000	00,000	-	3,000	**3,000**	**3,000**
Municipal Disaster Recovery Grant	-	-	-	-	14,549	-	-	-	**14,549**	**-**
Municipal Disaster Relief Grant	19,523	-	-	15,125	-	3,545	-	853	**19,523**	**19,523**

Grant Details	Amount Received and Spent each Quarter (R'000)									
Grant name, purpose/project (list individually)	**1 Jul 2021 to 30 Sep 2021**		**1 Oct 2021 to 31 Dec 2021**		**1 Jan 2022 to 31 Mar 2022**		**1 Apr 2022 to 30 Jun 2022**		**Total (Rand)**	
	Rec	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**
Municipal Infrastructure Grant	108,000	44,023	54,000	71,731	55,109	35,397	-	65,958	**217,109**	**217,109**
Water Services Infrastructure Grant	15,000	1,405	20,000	21,141	20,000	15,783	-	16,671	**55,000**	**55,000**
Finance Management Grant	1,000	125	-	189	-	108	-	262	**1,000**	**1,000**
Expanded Public Works Programme	1,591	1,988	2,863	1,351	1,909	3,002	-	22	**6,363**	**6,363**
Rural Roads Assets Management System	1,625			602	696	1,119		600	**2,321**	**2,321**
Energy Efficiency and Demand Side Management Grant	1,000							447	**1,000**	**447**
Transfer and Registration of Individual Sites in Maphumulo	-	-	-	-	-	-	-	-	-	-
Accelerated Water Intervention - Sokesimbone Water	-	-	22,300	-	-	-	-	8,841	**22,300**	**8,841**

Supply and Driefontein Water Supply Grant										
Accelerated Water Intervention - Rehabilitation of Nsuze Dam and Sibumbini Dam Grant	-	-	2,707	-	-	-	-	-	**2,707**	-
Municipal Disaster Grant	-	-	-	-		-	19,523	-	**19,523**	-

Grant Details	Amount Received and Spent each Quarter (R'000)									
Grant name, purpose/project (list individually)	**1 Jul 2020 to 30 Sep 2020**		**1 Oct 2020 to 31 Dec 2020**		**1 Jan 2021 to 31 Mar 2021**		**1 Apr 2021 to 30 Jun 2021**		**Total (Rand)**	
	Rec	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**	**Rec**	**Exp**
Municipal Infrastructure Grant	110,000	27,877	50,000	58,967	28,896	45,564	-	58,262	**203,769**	**203,769**
Regional Bulk Infrastructure Grant	-	-	-	-		2,031 -	-	4,764	**6,795**	**6,795**
Water Services Infrastructure Grant	20,000	13,841	30,000	22,332	15,000	25,679	-	14,243	**74,997**	**74,997**
Rural Roads Assets Management Systems	1,604	-	-	-	687	37	-	2,407	**2,291**	**2,291**

Finance Management Grant	1,000	128	-	147	-	128	-	597	**1,000**	**1,000**
Expanded Public Works Programme	1,187	418	2,136	2,839	1,423	1,489	-	-	**4,746**	**4,746**
Energy Efficiency and Demand Side Management Grant	-	-	700	-	-	608	-	169	**700**	**700**
District Satellite Imagery	-	-	-	-	-	1,000	-	-	**1,000**	**1,000**
Specialised Fire and Rescue Vehicle Grant	-	-	-	-	-	1,314	-	485	**2,000**	**1,799**
Spatial Development Framework	-	268	-	-	-	233	-	-	**501**	**501**
Development Planning Shared Services	-	-	91	91	-	91	-	91	**364**	**364**
Transfer and Registration of Individual Sites in Maphumulo	-	-	-	41	-	-	-	103	**1,104**	**162**

6.1 COMPONENT A – AUDITOR GENERAL'S OPINION OF THE FINANCIAL STATEMENTS 2022/23

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the iLembe District Municipality and its controlled entity set out on pages 145 to 210, which comprise the consolidated and separate statement of financial position as at 30 June 2023, consolidated and separate statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the iLembe District Municipality and its controlled entity as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2022 (Act No. 5 of 2022) (Dora).

Basis for opinion

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

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional*

accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matters

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

Distribution losses - water

7. As disclosed in note 46.3 to the consolidated financial statements, the municipality incurred material water losses of R105,19 million (2022: R106,00 million) which represents 46.36% (2022: 46.11%) of the total water purchased. The losses were mainly due to illegal connections, main leaks (ageing infrastructure), reservoir overflows and service connection leaks.

Irregular expenditure

8. As disclosed in note 59 to the consolidated financial statements, irregular expenditure of R169,54 million (2022: R163,19 million) was subject to investigation at year-end.

Allowance for impairment of receivables

9. As disclosed in note 2 to the consolidated financial statements, receivables from exchange transactions were impaired by a total amount of R908,65 million (2022: R737,39 million) as the recoverability of these amounts was doubtful.

Other matter

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

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure

requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the consolidated and separate financial statements

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

13. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the municipality and 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 municipality and entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

14. 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.

15. 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

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

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

Objective	Page numbers	Purpose
Basic Service Delivery	67-80	The core function of the municipality is to ensure sustainable provision of water and sanitation services and improve access to these basic services thereby reducing backlogs

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

19. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons taken to improve performance

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

21. I did not identify any material findings on the reported performance information for the selected objective.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides measures to improve performance.

24. The municipality plays a key role in delivering services to South Africans. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets / measures taken to improve performance are included in the annual performance report on pages 217 to 314.

Basic Service Delivery

Targets achieved: 91.1%
Budget spent: 97.9%

Key service delivery indicator not achieved	Planned target	Reported achievement
Rand value of MIG expenditure on water projects by deadline	R91 560 168	R90 477 944
Percentage reduction of unaccounted water (real water losses) by deadline	3%	1%

Report on compliance with legislation

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

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

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

28. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Annual financial statements

29. The consolidated and separate financial statements submitted for auditing were not fully prepared in all respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements in the cash flow statement identified by the auditors in the submitted consolidated and separate financial statements were subsequently corrected, resulting in the consolidated and separate receiving an unqualified audit opinion.

Other information in the annual report

30. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

33. 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 the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

35. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

36. Management did not prepare an accurate and complete set of financial statements that were supported and evidenced by reliable information, as material misstatements were identified in the annual financial statements.

Pietermaritzburg

14 December 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected objectives and on the municipality and its control entity's compliance with selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality and its controlled entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast

significant doubt on the ability of the municipality and its controlled entity 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality and its controlled entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate 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

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

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

6.2 COMPONENT B: CONSOLIDATED AUDIT RESPONSE PLAN OF ILEMBE DISTRICT MUNICIPALITY AND ITS ENTITY: 2022/23.

This will be produced once the Report from Auditor General has been finalised

6.3 COMPONENT C: REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT TO THE COUNCIL OF ILEMBE DISTRICT MUNICIPALITY FOR QUARTER 4 OF 2022/23 FINANCIAL YEAR

ANNUAL REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE TO THE COUNCIL OF ILEMBE DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023.

The iLembe District Municipality's Audit and Performance Audit Committee herewith presents its report to Council for the 2022/2023 financial year.

MANDATE

iLembe District Municipality established an Audit Committee in terms of section 166 of the Municipal Finance Management Act (MFMA), section 14(2)(c) of the Local Government Municipal Planning and Performance Regulations, 2001 (Regulations) and MFMA Circular No. 65 as issued by the National Treasury in 2012. Consideration has also been given to the recommendations contained in the King Report on Governance for South Africa (King IV).

The Audit Committee also serves as the Performance Audit Committee of the iLembe District Municipality and the Audit Committee was not shared with the iLembe Enterprise (the municipal entity) during the financial period.

AUDIT COMMITTEE MEMBERSHIP

During 2022/2023 financial year, the municipality had one Audit Committee namely; *Mr T.L. Radebe (Chairperson), Ms P.P. Nzimakwe (Deputy Chairperson), Mr. M.S. Msibi, Ms V.N. Msomi and Mr. N.C. Meyiwa* with effect from the committee's appointment date of the 1st June 2022.

MEMBERS ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Audit Committee is required to meet at least four times per year as per the requirements of the MFMA and the Audit Committee Charter. The Audit Committee may convene additional meetings should it be necessary to do so in consultation with the Accounting Officer.

Meetings held during the financial year and members attendance is listed below:

Name	Meetings attended	03-08-2022	04-08-2022	25-08-2022	31-08-2022	16-09-2022	21-11-2022	26-01-2023	08-03-2023	25-05-2023
Mr T.L. Radebe (Chairperson)	09	✔	✔	✔	✔	✔	✔	✔	✔	✔
Ms P.P. Nzimakwe (Deputy Chairperson)	08	✔	✔	✔	✘	✔	✔	✔	✔	✔
Mr. M.S. Msibi	09	✔	✔	✔	✔	✔	✔	✔	✔	✔
Ms V.N. Msomi	08	✔	✔	✔	✔	✔	✔	✔	✔	✘
Mr. N.C. Meyiwa	08	✔	✔	✔	✔	✔	✔	✘	✔	✔

Audit Committee Responsibility

The legal responsibilities of the Audit Committee are set out in terms of section 166 of the MFMA and Regulation 14 of the Local Government: Municipal Planning and Performance Management Regulations. The Committee operates within the terms of the Audit and Performance Audit Committee Charter as approved by Council.

In the conduct of its duties, the Audit Committee has performed the following duties relating to the 2022/2023 financial year:

1. Internal Audit Function

For the purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Charter, the Audit Committee relies on the work performed by the Internal Audit Unit in line with the risk-based internal audit plan.

1.1 The internal audit function is still in-house and it was operational during the period under review. The Audit Committee considered and approved the 2022/2023 three year rolling strategic and operational internal audit plan. Internal audit charter for 2022/2023 financial year was also considered and approved by the Audit Committee.

1.2 All completed internal audit work as well as quarterly progress reports in accordance with the audit plan were reviewed and approved by the Audit Committee. Internal Audit attended all Audit Committee meetings and deliberations and presented a summary of the salient findings of all internal audit work carried out for the period under review, including management responses to recommended corrective action. Internal Audit provided the Audit Committee with assurance on progressive implementation of internal and external audit recommendations as per the internal audit reports and Auditor-General management and audit report.

1.3 The Audit Committee noted that internal audit unit continued to operate without critically required resources including a long-over Internal Audit Software and human capital. The lack of tools has resulted to the Internal Audit not been able to perform its duties effectively and efficiently. The audit committee urged management to promptly make available the required resources to the internal audit unit to enable it to comply fully with its mandate.

2. Risk Management

2.1 The Audit Committee is responsible for advising council and management on matters relating to risk management; as such the Committee oversees management's risk management strategies, framework and policies and discusses the Municipality's key risk exposures with management. The internal audit function provides independent assurance in relation to the management's assertions surrounding the robustness and effectiveness of risk management and may comment on the level of risk management maturity.

2.2 The Audit Committee noted the 2022/2023 municipality's risk register, the top risks facing the municipality and the 2022/2023 risk management implementation plan.

2.3 The Audit Committee continued to urge management to ensure existence of an effective Risk Management Committee.

2.4 The Chairperson of the Risk Management Committee is invited to attend at least two Audit Committee meetings per financial year. However, the Chairperson of the Risk Management Committee did not attend any Audit Committee meetings during the period under review.

3. *The credibility, reliability and accuracy of financial reporting and information as well as accounting policies*

3.1 The Audit Committee reviewed the 2022/2023 draft Annual Financial Statements (AFS) and discussed, provided comments and recommendations to enhance the quality of the financial statements. The audit committee reviewed and noted internal audit report on the review of 2022/2023 draft annual financial statements. The committee is of the view that the Municipality's system of internal financial controls and reporting is not yet fully effective and there is room for improvement towards ensuring timely availability of credible and accurate financial information at reporting intervals.

3.2 Audit Committee reviewed external audit scope including the extent of co-ordination with and extent of reliance on the work of internal audit. The Committee further reviewed the annual external audit strategic plans, scopes, fees and other compensation.

3.3 The Committee also reviewed the Auditor-General's audit report on audited annual financial statements, the management report, management's comments on the audited financial statements, noted issues arising out of the audit and engaged Auditor General on matter raised in their audit report.

3.4 The Audit Committee was furnished with the action plan to address the findings raised by both Auditor General and Internal Audit during the 2021/2022 audit. The committee noted that some progress had been made in addressing the findings however there were matters that remained outstanding which was concerning as some of those matters were from the financial period prior 2021/2022. The Audit Committee commended management to ensure outstanding audit findings are part of management daily deliverables, monitored regularly and part of regular report structures and processes to ensure that are timely and adequately resolved.

4. *Performance Management*

4.1 The audit committee also serves as the Performance Audit Committee. Internal Audit unit reviewed the Municipality's performance management system and quarterly reports were tabled for consideration by the Committee at its meetings. Audit Committee noted qualified audit opinion received and is committed to assist the municipality to achieve unqualified audit opinion.

4.2 Audit Committee noted some control deficiencies with performance information and still recommended the following for urgent intervention by management:

- Management to improve the effectiveness of Audit Steering Committee,
- Management to resuscitate monthly, quarterly and mid-term meetings to monitor and review the performance information to ensure completeness, accuracy, reliability and relevance of performance information in preparation for year-end reporting;

- Inclusion of achievement of unqualified or clean audit opinion in individual performance agreement and SDBIP as a unit's KPI; and
- Consider speedily cascading down of Individual Performance Management System to all management levels to address the lack of accountability, responsibility and consequence management.

5. *Effectiveness of Internal Controls*

During its meetings, the Audit Committee reviewed the adequacy and effectiveness of the system of internal financial controls through the Internal Audit assurance. From the various Internal Audits (monthly, quarterly and bi-annual) and Auditor-General management reports, it was noted that some matters were reported that indicated some deficiency in the system of internal controls.

The following were noted as still the most critical and long-overdue matters:

- Long outstanding management comments from Internal Audit and AGSA findings or unresolved audit findings; and
- Long outstanding unauthorised, irregular, fruitless and wasteful expenditure due to lack of or ineffective Disciplinary Board.

Audit Committee urged management to ensure effective audit steering committee, risk management committee, MANCO and performance management monitoring towards addressing the above issues.

6. *Compliance with Legislation*

The Audit Committee monitors compliance matters on a quarterly basis through internal audit reports, management reports presented in Audit Committee meetings and external audit reports. Audit Committee did not identify further non-compliance by management other than those raised by both Internal and External Auditors. The audit committee urges council and management to intentionally address matters relating to non-compliance.

7. *Auditor- General of South Africa*

Based on processes followed and assurance received from the Auditor-General, nothing has come to the attention of the Audit Committee with regard to any matter impacting on the independence of the External Auditors.

The Audit Committee have met with the Auditor-General to ensure that there are no unresolved issues and that all issues that have come to our attention including subsequent events have been adequately communicated for further control and management towards rectification. The Audit Committee concurs with Auditor-General management report and audit opinion.

8. **Key issues and recommendations**

Audit Committee noted with serious concern the following:

- Continued vacancy of senior managers reporting directly to the Accounting Officer and other management positions which have direct impact on ensuring effective internal controls, responsibility, accountability, continuity and stability in the municipality;
- High non-revenue water loss rate for time while huge funds have been invested over towards its reduction;
- Reduction in revenue collection while debtors balance in significantly increasing; and
- Lack of management responses for Auditor General and Internal Audit findings for an extended period.

Audit Committee appreciated that Council has filled some of the posts and in the process of ensuring that these key strategic positions are filled. However, the Audit Committee urges Council to finalise the process of filling posts speedily and ensure that revenue management is prioritised and becomes one of the key strategic risk and deliverables for management to ensure sustainability and continuity of the municipality.

CONCLUSION

The Audit Committee would like to thank the Municipal Council, Acting Accounting Officer, Senior Managers, Chief Audit Executive, Chief Risk Officer and Auditor-General as well as all management and staff for co-operation and support during the year under.

Mr T.L. Radebe
Chairperson

On behalf of the members of the Audit Committee

6.4 CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS

Unaudited Annual Financial Statements
for

ILEMBE DISTRICT MUNICIPALITY - DC29

For the year ended 30 June 2022

Province:	**KwaZulu Natal**
AFS rounding:	***R (i.e. only cents)***

	Contact Information:
Name of Municipal Manager:	**Geoffrey Kumalo**
Contact telephone number:	**032 437 9500**
Contact e-mail address:	**Geoffrey.Kumalo@ilembe.gov.za**
Chief Financial Officer:	**Mahendra Chandulal**
Contact telephone number:	**032 437 9503**
Contact e-mail address:	**Mahendra.Chandulal@ilembe.gov.za**
Name of contact at provincial treasury:	**Nokuthula Ndlovu**
Contact telephone number:	**033 897 4376**
Contact e-mail address:	**nokuthula.chamane@kzntreasury.gov.za**
Name of relevant Auditor:	**Auditor General**
Contact telephone number:	**060 997 0889**
Contact e-mail address:	**MartinC@agsa.co.za**
Name of contact at National Treasury:	**Matsie Sehlapelo**
Contact telephone number:	**012 315 5295**
Contact e-mail address:	**Matsie.Sehlapelo@treasury.gov.za**

General information

Legal Form of Entity	Municipality
Nature of Business and Principal Activities	Medium Capacity Category C, District Municipality

His Worship Councillor Siduduzo Siegsried Gumede	**Mayor**	Term ended 9 November 2021
His Worship Councillor Thobani Philani Shandu	**Mayor**	Appointed 11 November 2021
Councillor Monitha Dolly Shandu	**Deputy Mayor**	Term ended 9 November 2021
Councillor JG Van Whyne	**Deputy Mayor**	Appointed 11 November 2021
Councillor Sphesihle Basil Zulu	**Speaker**	Term ended 9 November 2021
Councillor Monitha Dolly Shandu	**Speaker**	Appointed 11 November 2021
Councillor Sandeep Oudhram	**CHIEFWHIP**	Appointed 11 November 2021
Councillor Musawenkosi Aubrey Maphumulo	Member of the Executive Committee	Appointed 11 November 2021
Councillor Andrew Gopaul	Member of the Executive Committee	Deceased - 6 June 2021
Councillor Musa Michael Sibisi	Member of the Executive Committee	Term ended 9 November 2021
Councillor Makatha Hlengiwe Lindiwe	Member of the Executive Committee	Appointed 11 November 2021
Councillor Ncube Nduduzo	Member of the Executive Committee	Appointed 11 November 2021
Councillor Ngcobo Happiness	Member of the Executive Committee	Appointed 11 November 2021
Councillor Sing Krsna	*Member*	
Councillor Khanyile Mangalisile	*Member*	
Councillor Vallan Jennifer	*Member*	
Councillor Cele Solomon Sphiwe	*Member*	
Councillor Mthiyane Mxolisi	*Member*	
Councillor Mbuyazi Thabile	*Member*	
Councillor Ngcobo Christopher	*Member*	
Councillor Sewraj Annet	*Member*	
Councillor Ngwane Zinhle	*Member*	
Councillor Ndlovu Leonard	*Member*	
Councillor Shangase Mhlengi	*Member*	
Councillor Mkhaliphi Mzwakhe	*Member*	
Councillor Dladla Nhlanhla	*Member*	
Councillor Dube Thubelihle	*Member*	
Councillor Sithole Sicelo	*Member*	
Councillor Mthembu Caroline	*Member*	
Councillor Khoza Monica	*Member*	
Councillor Khuzwayo Nokukhanya	*Member*	
Councillor Mhlongo Nqobile	*Member*	
Councillor Zungu Sipho	*Member*	
Councillor Shangase Vukani	*Member*	
Councillor Ncube Nduduzo	*Member*	
Councillor Mbonambi Nkosi	*Member*	
Councillor Mkhize Thulile	*Member*	
Councillor Ngidi Nomzamo	*Member*	
Councillor Mwandla Virginia	*Member*	
Councillor Singh Nerish	*Member*	
Councillor Bhengu Sthabiso	*Member*	
Councillor Angel Lindiwe Nzama	*Member*	Term Ended 09 November 2021
Councillor Malindi Mhlongo	*Member*	Term Ended 09 November 2021
Councillor Sibongile Florence Ntuli	*Member*	Term Ended 09 November 2021
Councillor Catherine Tholakele Khumalo	*Member*	Term Ended 09 November 2021
Councillor Makhosini Desmond Mpofu	*Member*	Term Ended 09 November 2021
Councillor Ntombenhle Cynthia Nene	*Member*	Term Ended 09 November 2021
Councillor Musawenkosi Simeon Ntuli	*Member*	Term Ended 09 November 2021
Councillor Madhum S Singh	*Member*	Term Ended 09 November 2021
Councillor Innocent Ndumiso Vilakazi	*Member*	Term Ended 09 November 2021
Councillor Muzi Emmanuel Ngidi	*Member*	Term Ended 09 November 2021
Councillor Innocentia Phumelele Dube	*Member*	Term Ended 09 November 2021
Councillor Radiwaath Singh	*Member*	Term Ended 09 November 2021
Councillor Thandeka Sinenhlanhla Ngidi	*Member*	Term Ended 09 November 2021
Councillor James Gabangani Van Whye	*Member*	Term Ended 09 November 2021
Councillor Thuthukani Raymond Ngema	*Member*	Term Ended 09 November 2021
Councillor Mamazane Veronica Shezi	*Member*	Term Ended 09 November 2021
Councillor Silindile Zondi	*Member*	Term Ended 09 November 2021
Councillor Jali Thalalisani Sabatha	*Member*	Term Ended 09 November 2021
Councillor Happiness Nonhlanhla Ngcobo	*Member*	Term Ended 09 November 2021
Councillor Mazwi Nhlakanipho Gwamanda	*Member*	Term Ended 09 November 2021
Councillor Sakhephi Mdumiseni Michael Dlomo	*Member*	Term Ended 09 November 2021
Councillor Nyathikazi Sibongiso Zaba	*Member*	Term Ended 09 November 2021

Councillor Malindi Virginia Mhlongo	*Member*	Term Ended 09 November 2021
Councillor Zungu Gloria Nompumelelo	*Member*	Term Ended 09 November 2021
Councillor Sithole David Mthokozisi	*Member*	Term Ended 09 November 2021

Grading of Local Authority	Four
Auditors	The Auditor-General South Africa
Bankers	First National Bank

General information (continued)

	Ilembe House
Physical address:	Ilembe House 59/61 Mahatma Ghandhi Street KWADUKUZA 4450
Postal address:	P.O Box 1788 KWADUKUZA 4450
Telephone number:	032 437 9300
Fax number:	032 437 9584
E-mail address:	admin@ilembe.gov.za

Accounting Officer's Statement

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data. The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. I, as the Accounting Officer (accounting authority), acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The impact of covid-19 is has been with everyone since early 2020 and in this regard the environment is continually changing by way of different alert levels. The risks associated with covid-19 has been incorporated in the Municipal risk register and is closely monitored and updated. The risks associated with covid19 and July 2021 riots in terms of consumer debtors materialized. The focus of risk management in the municipality is on identifying assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. A new challenge which the Municipality encountered during the March and April 2022 was the impact of the devasting floods on infrastructure and its operations which affected service delivery in certain areas. This also affected some consumers ability to pay for services. The Municipality through its business continuity plan was successful in restoring service delivery

and operations to continue trading. I am of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit. I have reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on the basis that the municipality is a going concern and that the ILembe District Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality. Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's external auditors.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 23 and 24 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local G-overnment's determination in accordance with the Act.

Accounting Office

Date: 31 August 2022

ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2022

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ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	2022 R	2021 R Restated
ASSETS			
Current Assets			
Cash and cash equivalents	3	202,786,719	203,034,987
Trade and other receivables from exchange transactions	2	217,263,480	134,724,639
Value Added Tax	7	8,417,520	18,428,279
Inventories	5	11,782,382	10,888,684
Total current assets		**440,250,102**	**367,076,589**
Non-current assets			
Non-current receivables	6	1,250,785	1,080,517
Other non-current financial assets	4	100	100
Property, plant and equipment	10	2,816,055,122	2,727,639,286
Intangible assets	12	8,505,261	6,254,887
Heritage Assets	11	205,578	205,578
Total non-current assets		**2,826,016,845**	**2,735,180,367**
Total assets		**3,266,266,947**	**3,102,256,957**
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	13	171,247,484	173,546,927
Consumer Deposits	14	5,915,094	5,729,972
Value Added Tax	7	-	-
Trade and other payables from non - exchange transactions	15	36,731,868	2,216,844
Current portion of borrowings	16	7,869,646	5,518,810
Current portion of finance lease liability	17	12,456,066	18,710,298
Current portion of financial liability:Umngeni Water CUC	46	29,168,076	9,579,510
Current portion of employee benefits	47	1,188,736	2,893,000
Total current current liabilities		**264,576,970**	**218,195,361**
Non-current liabilities			
Non-current borrowings	16	23,474,208	27,665,130
Non-current finance lease liability	17	1,828,426	14,284,493
Non-current financial liabilities:Umngeni Water CUC	46	0	39,710,693
Employee benefits	47	16,905,077	15,212,000
Total non-current liabilities		**42,207,711**	**96,872,315**
Total liabilities		**306,784,681**	**315,067,677**
Net assets		**2,959,482,266**	**2,787,189,280**
Accumulated surplus		2,959,482,266	2,787,189,280
Total net assets		**2,959,482,266**	**2,787,189,280**

ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2022

	Note	2022 R	2021 R
Revenue from exchange transactions		**349,233,136**	**300,306,901**
Service charges - Water	18	208,278,827	189,281,479
Service charges - Sanitation	18	66,463,425	51,664,183
Interest earned - external investments	19	11,946,445	10,384,060
Interest earned - outstanding receivables	20	23,148,689	41,232,800
Dividends	8	21,500,000	-
Operational revenue	22	15,885,070	5,808,701
Agency services	23	2,010,681	1,935,679
Revenue from non exchange transactions		**892,639,471**	**933,386,563**
Fines and Penalties	24	83,564	53,767
Licences Or Permits	25	33,954	1,355
Government grants and subsidies	21	892,521,953	933,331,441
Total revenue		**1,241,872,607**	**1,233,693,464**
Expenses			
Employee related costs	26	234,503,603	227,396,445
Remuneration of councillors	27	8,841,676	8,921,386
Debts Impairment	2	112,745,390	104,698,036
Depreciation, impairment and amortisation	28	136,146,554	134,871,879
Finance costs	29	8,552,664	5,857,622
Inventory consumed	30	205,638,868	238,475,941
Contracted services	31	170,004,881	154,663,413
Transfers and subsidies	32	35,465,416	37,103,690
Operational Cost	33	133,815,347	106,769,080
Total expenses		**1,045,714,397**	**1,018,757,492**
(Loss) / Gain on sale of assets	36	(5,746,801)	(3,841,941)
Forex (loss) / gain	44	(635,286)	137,991
Fair value Loss / Gain	35	(17,483,136)	-
Surplus for the period		**172,292,986**	**211,232,022**

ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2022

	Note	IDM Accumulated Surplus/(Deficit) Total
		R
Balance at 30 June 2020		**2,558,931,846**
Prior year corrections and adjustments	37.1	25,554,535
Restated balance		**2,584,486,381**
Surplus / (deficit) for the year		211,232,022
Balance at 30 June 2021		**2,795,718,403**
Opening Balance, 1 July 2021		**2,795,718,403**
Prior year corrections and adjustments	37.2	(8,529,123)
Restated balance		**2,787,189,280**
Transfers to / from accumulated surplus/(deficit)		-
Surplus / (deficit) for the year		172,292,986
Balance at 30 June 2022		**2,959,482,266**

ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED CASH FLOW STATEMENT
For the year ended 30 June 2022

	Note	IDM 2022 R	IDM 2021 R *Restated*
Receipts		**1,079,182,569**	**1,078,398,478**
Sales of goods and services		110,983,634	134,534,469
Grants		927,036,977	894,693,716
Other income		41,161,958	49,170,293
Payments		**(792,109,402)**	**(848,483,402)**
Employee costs		254,971,460	236,345,317
Suppliers		537,137,942	612,138,085
CASH GENERATED FROM OPERATIONS		**287,073,167**	**229,915,075**
Interest received		11,946,445	10,384,060
Interest paid		(8,552,664)	(5,857,622)
Net cash flows from operating activities	39	**290,466,948**	**234,441,513**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets (PPE)		(226,306,757)	(233,896,969)
Proceeds from sale of fixed assets		660,000	1,570,221
Increase in investments		-	-
Purchase of intangibles		(6,912,810)	(3,782,106)
Net cash flows from investing activities		**(232,559,567)**	**(236,108,854)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,840,085)	(5,042,477)
Repayment of Umgnei Water CUC Debt		(37,605,264)	(5,946,534)
Repayment of finance lease liability		(18,710,299)	(10,665,033)
Net cash flows from financing activities		**(58,155,648)**	**(21,654,044)**
Net increase / (decrease) in net cash and cash equivalents		(248,267)	(23,321,384)
Net cash and cash equivalents at beginning of period		203,034,987	226,356,371
Net cash and cash equivalents at end of period	3	**202,786,720**	**203,034,987**

ILEMBE DISTRICT MUNICIPALITY
UNAUDITED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the year ended 30 June 2022

Description	Original Budget	Adjusted Budget (i.t.o. s28 & s31 Of The MFMA)	Virement (Council Approved By-law)	Final Budget	Actual Income/ Expenditure	Variance	% Variance	Explanation of variances +/-10%
	R	R	R	R	R	R		
Service Charges	260,677,310	276,469,097	-	276,469,097	274,742,251	-1,726,846	-1%	The service charges budgeted to be expended by 30 June 2022 was R 276.4 million, while the total billed to consumers was R 276.7 million resulting to 1% variance below targeted revenue. The variance is within the norm of +-10% which is acceptable. This is due to the additional areas that were read in previous months which were estimated and are currently read by the services provider that the municipality has appointed in order to assist as the municipal Meter Readers are not enough to cover all areas with the community of Ilembe District Municipality and new connections
Investment Revenue	12,011,958	12,011,958	-	12,011,958	11,946,445	-65,513	-1%	This refers to interest earned in the external investments of the municipality. The actual as at 30 June 2022 was R 11.9 million, resulting in a positive variance of 1% above anticipated of R 12.0 million. This variance is due to amounts invested are of a short-term period where the interest rate varies
Transfers Recognised - Operatio	635,194,000	656,101,470	-	656,101,470	655,590,177	-511,293	0%	Tthis relates to the conditions met on operational projects including the equitable share received by the municipality as per DORA allocation. The discrepancy is due to the fact that an alocation for Maphumulo sdes transers has not been spent. A rollover application has been made. In addition is the re-allocation of LG Seta grant that was initially budgeted for as other revenue. Furthermore all other operational grants were fully spent as at of 30 June 2022
Other Own Revenue	136,351,219	152,799,673	-	152,799,673	41,161,957	-111,637,716	-73%	Included on this item is the revenue received from shared services, clearance certificates, and sale of tender documents, etc. the variance translated to 73% below a target is mainly attributable from the water gain that has been budgeted for
Transfers) & Contributions)	1,044,234,487	1,097,382,198	-	1,097,382,198	983,440,830	-113,941,368		
	248,028,932	241,149,031	-	241,149,031	234,503,603	-6,645,428		This item relates to employee related costs booked in for the district, as at 30 June 2022, the total expended was R 234.5 million resulting in a 3% variance below a year to date target of R241.1 million. The variance is mainly attributable to vacant posts arising from terminations and resignations, these posts were advertised and the process to fill them is anticipated to be completed beginning of the financial year as the candidates will need to serve a notice from where they are currently working. However the variance is within acceptable norm of +-10%
Employee Costs							-3%	
Remuneration Of Councillors	10,473,916	11,166,433	-	11,166,433	8,841,676	-2,324,757	-21%	This item relates to remuneration of Councillors. The actual expenditure as at June 2022 was R 8.8 million, while the target was R 11.1 million resulting in variance of 21% below target. This variance is attributable from the fact that the increase on cost of living was considered during the preparation of adjusted budget, whereas the actual payment has not yet considered that. The municipality has received the communication from COGTA which was stipulating the increment on remuneration for Councillors whereby the date of increase include the Councillors whom their term was terminated in November 2021
	19,215,668	19,456,260		19,456,260	112,745,390	93,289,130		This item relates to amount budgeted for contribution to the provision for doubtful debt in line with GRAP. The year to date actual on this item is R112.7 million this is increase in provision for the debtors who might not honour their debt including government employees and organs of state. It should be noted that the municipality had a debt write off amount to R70 million during the current financial year. The municipality is still waiting for the latest analysis on municipal consumer debtors from the revenue enhancement consultant. Once the data is received the municipality will process the recommendation accordingly
Debt Impairment							479%	
Depreciation & Asset Impairment	114,056,528	114,056,528	-	114,056,528	136,146,554	22,090,026	19%	This category records the actual depreciation and asset impairment as per the requirements of GRAP and MFMA. This is a non-cash item and will therefore not affect cash flow. The actual as at June 2022 was R 135.8 million resulting on a 19% variance above for the target of R 114.0 million. This is due to the number of projects that have capitalised in the current financial year

ILEMBE DISTRICT MUNICIPALITY
UNAUDITED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the year ended 30 June 2022

Description	Original Budget	Adjusted Budget (i.t.o. s28 & s31 Of The MFMA)	Virement (Council Approved By-law)	Final Budget	Actual Income/ Expenditure	Variance	% Variance	Explanation of variances +/-10%
	R	R	R	R	R	R		
Finance Charges	6,757,303	5,305,622	-	5,305,622	8,552,664	3,247,043	61%	This is interest paid by the municipality to Financial Institutions for money borrowed by the municipality from those institutions. The expenditure anticipated for the period ended 30 June 2022 was R 5.3 million, while the actual incurred for this period was R 8.5 million, which is above the target by 61%. This is due to the fact that the financial liability with Umngeni water was discounted in terms of GRAP 104 which was not anticipated during the budget process
Contracted Services	137,372,998	172,249,989	10,000.00	172,259,989	170,004,881	-2,245,108	-1%	This item consists of all contracted services of the municipality like electrical repairs, bulk maintenance, catering, grass cutting etc. The total budget for this item is R172.2 million and the actual expenditure as at 30 June 2022 was R 170.0 million which is 1% below the anticipated expenditure of R 172.2 million. The variance is however at an acceptable norm of +-10%
Other Expenditures	492,158,281	532,234,811	-10,000.00	532,224,811	381,301,717	-150,933,094	-28%	This item consist of various running operation expenses of the municipality, including the water loss budget that was budgeted for. The total budget is R532.2 million and actual expenditure as at 30 June 2022 the actual expenditure on this item was R381.3 million which resulted to a variance of 28% below when compared to R532.2 million anticipated. The variance is due to the water loss budget that is included in other expenditure in terms of financial statements and there is no movement due to GRAP requirements
Total Expenditure	**1,028,063,626**	**1,095,618,673.81**	**-**	**1,095,618,674**	**1,052,096,484**	**-43,522,190**		
Surplus/(Deficit)	**16,170,861**	**1,763,524.63**	**-**	**1,763,525**	**-68,655,654**	**-70,419,179**		
Transfers Recognised - Capital	236,859,000	252,995,925	-	252,995,925	236,931,776	-16,064,149	-6%	This relates to the conditions met on capital projects. The discrepancy is due to the fact that there was a Water Intervention grant of R25 million that was received in December 2021, whereby its projects relate to bth financial years 2022 and 2023 as per the business plan approved by KZNCOGTA however the variance is within the acceepted norm of +-10%.
Transfers and subsidies - capital (in-kind - all)				-	0	0	0%	
Contributions Recognised - Capital & Contributed Assets	2,273,449.00	2,273,449.00	-	2,273,449	0	-2,273,449	0%	This amount has been received and allocated to other income. It was allocated to this catergory due to mSCOA version 6.5, however it was changed to other income on mSCOA version 6.6 which is its correct catergory. Hence it is reported to other income in these financial statements
Surplus/(Deficit) After Capital Transfers	**255,303,310**	**257,032,899.09**	**-**	**257,032,899**	**168,276,122**	**-88,756,777**		
Profit/(Loss)						0		
Surplus/(Deficit For The Year	**255,303,310**	**257,032,899.09**	**-**	**257,032,899**	**168,276,122**	**-88,756,777**		
Capital Expenditure & Funds Sources								
Capital Expenditure								
Transfers Recognised - Capital	205,964,348	219,996,456.67	-	219,996,456.67	194,820,807	-25,175,650	-11%	The variance is due to the capital projects that were estimated to be completed in June 2023 hence budgeted for in the current financial year 2022 as its allocation was received in December 2021 for Water Intervention.
Borrowing	0	-	-	-	-	0	0%	
Internally Generated Funds	26,671,266	35,175,325.80	-	35,175,325.80	26,816,996	-8,358,330	-24%	The variance is due to the fact that the projects were delayed due to floods that washed away most of the documents whereby the SCM processes needed to be performed again. Prior to floods there was court order which was issued by ConCourt in relation to SCM process that affected most procurement process on projects
Total Sources Of Capital Funds	**232,635,614**	**255,171,782.47**	**-**	**255,171,782**	**221,637,803**	**-33,533,980**		

ILEMBE DISTRICT MUNICIPALITY
UNAUDITED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the year ended 30 June 2022

Description	Original Budget	Adjusted Budget (i.t.o. s28 & s31 Of The MFMA)	Virement (Council Approved By-law)	Final Budget	Actual Income/ Expenditure	Variance	% Variance	Explanation of variances +/-10%
	R	R	R	R	R	R		
For the period ended 30 June 2021								
Description	**Original Budget**	**Adjusted Budget (i.t.o. s28 & s31 Of The MFMA)**	**Virement (Council Approved By-law)**	**Year to date Budget**	**Actual Income/ Expenditure**	**Variance**	**% Variance**	**Explanation of variances +/-10%**
	R	R	R	R	R	R		
Service Charges	213,701,712	232,310,759	-	232,310,759	240,945,662	8,634,903	4%	The reason for the variance was due to new connections which results to the billing to be more than anticipated and ongoing implementation of the method of billing sanitation, aligned to billing of sanitation based on property evaluation. However, the variance is within acceptable norm.
Investment Revenue	14,360,629	9,074,174	-	9,074,174	10,384,060	1,309,886	14%	This refers to interest earned in the external investments of the municipality. The actual as at June 2021 was R 10.7 million, resulting in a positive variance of 14% above when compared to anticipated. This variance is due to variable interest rate upon investing municipal funds arose from municipal grants received to date
Transfers Recognised - Operational	613,308,937	700,257,567	-	700,257,567	694,949,947	-5,307,620	-1%	This relates to the conditions met on capital projects. The discrepancy is due to the fact that expenditure on the capital projects funded through grants was slightly more than budgeted and the expenditure on operational projects were slightly less than budgeted. This was done mainly to prioritise the roll out of infrastructural projects with an aim of addressing water supply backlogs. In
Other Own Revenue	52,360,890	50,392,657	-	50,392,657	49,469,720	-922,937	-2%	The variance is attributable to various items which municipality has no control. The items includes contribution from developers whereby there was no collection made during the year. However the variance is within the norm of 10%
Total Revenue (Excluding Capital Transfers) & Contributions)	**893,732,168.04**	**992,035,156.33**	-	**992,035,156.33**	**995,749,387.86**	**3,714,231.53**		
Employee Costs	253,689,832.67	241,341,708	137,449.95	241,479,158	227,396,445	-13,945,263	-6%	This item relates to employee related costs booked in for the district and its entity as at 30 June 2021, the total expended was R215.1 million resulting in a 11% variance below target but within the acceptable norm of +/- 10%. The variance is mainly attributable to most budgeted vacant posts not filled arose from resignations
Remuneration Of Councillors	9,818,859.27	9,834,661	-	9,834,661	8,921,386	-913,276	-9%	This item relates to remuneration of Councillors. The actual expenditure as at 30 June 2021 was R9.8 million, the year to date actual was R8.9 million resulting in a variance of 9%. This is within the +- 10 threshold. This variance is attributable to Councillors salaries budgeted on 6.5% increase while there was no actual increase received
Debt Impairment	18,300,637.96	18,300,636		18,300,636	104,698,036	86,397,400	472%	This item relates to amount budgeted for contribution to the provision for doubtful debt in line with GRAP. The item was approved at R 13 million, however during the year there was no debt write off approved by Council to be written off. Due to COVID most consumers have been struggling to pay their debt which requires municipality to provide more provision on doubtful debt and also taking into account the National Unrest happened in July 2021. The municipality continues to implement its credit control policy in order improve revenue collection to reduce increase in debtors book
Depreciation & Asset Impairment	78,805,010.00	78,805,008	-	78,805,008	134,871,879	56,066,871	71%	There were assets that were capitalised during the end of the were which were completed which needed to be included into asset register and apply depreciation methodology accordingly. These include the municipal fleet that was acquired by the Municipality through COVID funds. The impairment of assets is done annually and that will determine the realistic impairment against the provision against the budget

ILEMBE DISTRICT MUNICIPALITY
UNAUDITED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the year ended 30 June 2022

Description	Original Budget	Adjusted Budget (i.t.o. s28 & s31 Of The MFMA)	Virement (Council Approved By-law)	Final Budget	Actual Income/ Expenditure	Variance	% Variance	Explanation of variances +/-10%
	R	R	R	R	R	R		
		7,710,495	966,517.00	8,677,012	5,857,622	-1,852,873	-21%	This is interest paid by the municipality to Financial Institutions for money borrowed by the municipality from those institutions. The expenditure anticipated for the period ended 30 June 2021 was R8.6 million, while the actual incurred for this period was R5.8 million, as a result the variance was -21% below target due to repayment of DBSA loan and interest on actuarial through GRAP 25
Finance Charges	12,690,706.87							
		243,596,531		243,596,531	228,573,434	-15,023,098	-6%	This item refers to municipal water bulk purchases. The anticipated expenditure for the period ended 30 June 2021 was R243,5 million, while the actual expenditure for the period amounted to R228 5 million, this resulted in a 6% variance below anticipated expenditure. It should be noted that item is the main cost driver on provision water. The variance is mainly attributable various factors such as :- • Increase in new connections and the cost of providing water supply to consumers. However the variance is within the norm of +-10% • Indirectly, water losses has an impact on this item. The municipality faces a high level of non-revenue water and real and apparent losses currently sitting at 57.2% and 45.9% respectively. There is currently a project dedicated to reduce water losses, improve service delivery and eradicate services backlogs increasing revenue while decreasing the extent of the Non-Revenue water. The total budget allocated to Water Conservation and Demand Management amounts to R 23,1 million where various activities will be performed. A 5 year- Master Plan will also be drafted from this programme.
Bulk Purchases	216,200,000.00							
		181,253,524	729,369.93	181,982,893	154,863,413	-26,590,110	-15%	This item consist of all contracted services of the municipality like electrical repairs, bulk maintenance, catering, grass cutting etc. The total budget for this item was R181 9 million and the actual expenditure as at 30 June 2021 was R154 6 million which 15% below the anticipated expenditure due to programmes that have been paused due to National Lockdown rules and also the
Contracted Services	145,349,293.75							
		163,451,830	-1,833,336.86	161,618,493	157,617,218	-5,834,612	-4%	This is mainly due to the suspended operational projects as a result of Covid19 national lockdown however the variance is within the norm of +-10%
Other Expenditures	150,883,496.65							
Total Expenditures	**885,737,837.36**	**944,294,393.85**	-	**944,294,393.85**	**1,022,599,433.02**	**78,305,039.17**	-86%	
	7,994,330.68	**47,740,762.48**	-	**47,740,762.48**	**(26,850,045.16)**	**(74,590,807.64)**		
Transfers Recognised - Capital	225,227,563	234,931,124	-	234,931,124	238,082,068	3,150,944	1%	This relates to the conditions met on Capital projects. The discrepancy is due to the fact that expenditure on the capital projects funded through grants was slightly more than budgeted and the expenditure on operational projects were slighty less than budgeted. This was done mainly to prioritise the roll out of infrastructural projects with an aim of addressing water supply backlogs. In
Contributions Recognised - Capital & Contributed Assets	0	-	-	-	0	0	0%	
Surplus/(Deficit) After Capital Transfers & Contributions	**233,221,893.68**	**282,671,886.32**	-	**282,671,886.32**	**211,232,022.36**	**(71,439,863.96)**		
Surplus/(Deficit For The Year	**233,221,893.68**	**282,671,886.32**	-	**282,671,886.32**	**211,232,022.36**	**(71,439,863.96)**		
Capital Expenditure & Funds Sources								
Capital Expenditure								
Transfers Recognised - Capital	195,850,055	204,287,931.11	-	204,287,931.11	206,382,121	2,094,190	1%	The variance is due to the capital projects that were estimated to be completed in June 2021 however there were a slighty delayes in completing those. However the variance is within the norm of 10%
Borrowing	0	-	-	-	4,142,010.12	4,142,010	0%	The municipality budgeted for 106 vehicles and received 90 vehicles. The reason for ths variance is that the municipality received the balance of 26 vehicles that was outstanding from last financial year due to the fact the country was challenges with the COVID-19 pandemic which resulted to National Lockdown. When the lockdown rules were relaxed it was already the end of the financial year
Internally Generated Funds	6,795,523	44,553,980.24	-	44,553,980.24	27,154,923	-17,399,058	-39%	The variance is attributable to the projects that were anticipalted to be acquired, however the delevery was delayed due to National Lockdown regulations. These projects are disclosed as part of commitments in the notes of the financial statements
Total Sources Of Capital Funds	**202,645,577.78**	**248,841,911.35**	-	**248,841,911.35**	**237,679,054.07**	**-11,162,857.28**		

Reportable Segments for the year ended 30 June 2022

For management purposes, the municipality is organised and operates in three key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The three key business units comprise of:

- Trading services which includes water management and waste water management;
- Unallocated (Finance & Admin)
- Other

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2022

	2021/2022			
	Trading Services	Unallocated	Other	Total
Segment Revenue	**960,947,018**	**178,578,544**	**102,347,044**	**1,241,872,606**
External revenue from non-exchang	679,546,464	112,224,784	100,868,222	**892,639,470**
External revenue from exchange tra	281,400,554	9,758,627	1,478,822	**292,638,002**
Revenue from transactions with other segments				-
Interest revenue	-	56,595,133		**56,595,133**
Segment Expenses	**458,464,596.74**	**384,432,583.45**	**226,682,440.07**	**1,069,579,620**
Total Segment expenses	458,464,597	347,122,104	121,112,521	926,699,222
Depreciation and amortisation	-	27,222,815	105,569,919	132,792,734
Interest expense	-	10,087,664	-	10,087,664
Internal charges				-
Share of Surplus/(Deficit) of Associates / Joint Ventures				-
Taxation				-
Surplus/deficit for the year	**502,482,421**	**- 205,854,039**	**- 124,335,397**	**172,292,986**

ILEMBE DISTRICT MUNICIPALITY - DC29
UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	Trading Services	Unallocated	Other	Total
ASSETS					
Current Assets					
Cash and cash equivalents	3	(405,129,745)	(297,269,444)	905,185,908	**202,786,719**
Trade and other receivables from ex	2	368,278,316	(150,464,643)	(550,193)	**217,263,480**
Value Added Tax	7	(57,005,973)	64,739,768	683,725	**8,417,520**
Inventories	5	(58,033,637)	69,936,876	(120,857)	**11,782,382**
Total current assets		**(151,891,038)**	**(313,057,443)**	**905,198,583**	**440,250,102**
Non-current assets					
Non-current receivables	6		1,250,785		**1,250,785**
Other non-current financial assets	4		100		**100**
Property, plant and equipment	10	398,342,399	2,684,693,096	(266,980,373)	**2,816,055,122**
Intangible assets	12		8,505,261		**8,505,261**
Heritage Assets	11		205,578		**205,578**
Total non-current assets		**398,342,399**	**2,694,654,820**	**(266,980,373)**	**2,826,016,846**
Total assets		**246,451,361**	**2,381,597,377**	**638,218,209**	**3,266,266,947**
LIABILITIES					
Current liabilities					
Trade and other payables from exch	13	19,366,987	158,366,470	(6,488,683)	**171,244,774**
Consumer Deposits	14	(125,200)	6,040,293		**5,915,093**
Value Added Tax	7	-	-	-	**-**
Trade and other payables from non	15	(335,517,668)	381,468,765	(9,219,229)	**36,731,868**
Current portion of borrowings	16		7,869,646		**7,869,646**
Current portion of finance lease liab	17		12,456,066		**12,456,066**
Current portion of financial liability:U	45		29,168,076		**29,168,076**
Current portion of employee benefits	46		1,188,736		**1,188,736**
Total current current liabilities		**(316,275,881)**	**596,558,054**	**(15,707,912)**	**264,574,260**
Non-current liabilities					
Non-current unspent conditional grants and receipts					
Non-current borrowings	16		23,474,208		**23,474,208**
Non-current finance lease liability	17		1,828,426		**1,828,426**
Non-current financial liabilities Umnc	45		-		**-**
Employee benefits	46		16,905,077		**16,905,077**
Total non-current liabilities		-	**42,207,711**	-	**42,207,711**
Total liabilities		**(316,275,881)**	**638,765,764**	**(15,707,912)**	**306,781,971**
Net assets		**562,727,242**	**1,742,831,612**	**653,926,122**	**2,959,484,976**
Reserves					
Accumulated surplus		302,484	2,899,187,883	59,994,609	**2,959,484,976**
Total net assets		**302,484**	**2,899,187,883**	**59,994,609**	**2,959,484,976**

ILEMBE DISTRICT MUNICIPALITY - DC29
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2021

2020/2021

	Trading Services	Unallocated	Other	Total
Segment Revenue	**934,543,831**	**188,782,506**	**110,367,127**	**1,233,693,464**
External revenue from non-exchang	703,976,955	121,183,450	108,226,157	**933,386,563**
External revenue from exchange tra	230,566,875	15,982,196	2,140,970	**248,690,042**
Revenue from transactions with other segments				-
Interest revenue	-	51,616,860		**51,616,860**
Segment Expenses	**477,878,067.30**	**324,116,523.97**	**220,466,850.88**	**1,022,461,442**
Total Segment expenses	477,878,067	292,783,698	111,071,168	881,732,933
Depreciation and amortisation	-	25,475,204.49	109,395,683.17	134,870,888
Interest expense	-	5,857,621.67	-	5,857,622
Internal charges				-
Share of Surplus/(Deficit) of Associates / Joint Ventures				-
Taxation				-
Surplus/deficit for the year	**456,665,764**	**- 135,334,018**	**- 110,099,724**	**211,232,022**

ILEMBE DISTRICT MUNICIPALITY - DC29
STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	Trading Services	Unallocated	Other	Total
ASSETS					
Current Assets					
Cash and cash equivalents	3	(350,918,848)	(46,049,377)	600,003,212	**203,034,987**
Current term Investments	8				
Trade and other receivables from ex	2	269,339,966	(136,641,325)	2,025,998	**134,724,639**
Trade and other receivables from nc	4				
Value Added Tax	7	(37,753,306)	55,309,694	871,891	**18,428,279**
Inventories	5	(44,483,138)	55,431,304	(59,482)	**10,888,684**
Total current assets		(163,815,327)	(71,949,703)	602,841,620	**367,076,589**
Non-current assets					
Non-current receivables	6		1,080,517		**1,080,517**
Long term Investments	7				-
Other non-current financial assets	4		100		**100**
Property, plant and equipment	10	177,598,494	2,702,890,761	(152,849,969)	**2,727,639,286**
Intangible assets	12		6,254,887		**6,254,887**
Heritage Assets	11		205,578		**205,578**
Total non-current assets		177,598,494	2,710,431,842	(152,849,969)	**2,735,180,367**
Total assets		13,783,167	2,638,482,139	449,991,650	**3,102,256,956**
LIABILITIES					
Current liabilities					
Trade and other payables from exch	13	97,642,773	97,984,610	(22,080,456)	**173,546,927**
Consumer Deposits	14	(87,223)	5,817,194		**5,729,971**
Trade and other payables from non	14	(375,552,781)	457,370,562	(79,600,937)	**2,216,844**
Current portion of borrowings	15		5,518,810		**5,518,810**
Current portion of finance lease liab	16.1		18,710,298		**18,710,298**
Current portion of financial liability U	35		9,579,510		**9,579,510**
Current portion of employee benefits	36		2,893,000		**2,893,000**
Total current current liabilities		(277,997,231)	597,873,985	(101,681,393)	**218,195,361**
Non-current liabilities					
Non-current unspent conditional gra	14				
Non-current borrowings	15		27,665,130		**27,665,130**
Non-current finance lease liability	16.1		14,284,493		**14,284,493**

Non-current financial liabilities Umnc	35		39,710,693		**39,710,693**
Employee benefits	36		15,212,000		**15,212,000**
Total non-current liabilities		-	**96,872,315**	-	**96,872,315**
Total liabilities		**(277,997,231)**	**694,746,300**	**(101,681,393)**	**315,067,676**
Net assets		**291,780,398**	**1,943,735,839**	**551,673,044**	**2,787,189,280**
Reserves					
Accumulated surplus		59,703	2,727,489,724	59,639,853	**2,787,189,280**
Total net assets		**59,703**	**2,727,489,724**	**59,639,853**	**2,787,189,280**

ILEMBE DISTRICT MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
For the period ended 30 June 2022

1 BASIS OF PREPARATION

1.1 STATEMENT OF COMPLIANCE

These annual financial statements have been prepared in accordance with the effective South African Standards of Generally Recognised Accounting Practice (GRAP) as approved by the Minister of Finance including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003).
The accounting policies applied are consistent with those used to present the previous year's financial statements unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 BASIS OF MEASUREMENT

The annual financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement except where specified otherwise.

1.3 FUNCTIONAL AND PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand which is the functional currency of the municipality. All financial information has been rounded to the nearest Rand.

1.4 OFFSETTING

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the municipality has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

1.5 GOING CONCERN ASSUMPTION

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

1.6 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with GRAP requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts assets and liabilities income, expenses and other reports. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

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

The Municipality determines the appropriate discount rate at the end of each year using the actuarial valuation. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Municipality considers the interest rates that best approximated by reference to market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumption for pension obligation are based on current market conditions. Additional information is disclosed in notes. The Municipality contributes to Natal Joint Super Annuation and Retirement Funds which are Defined Benefit Funds. The Municipality's liability in these funds could not be determined owing to the fact that the assets are not being allocated to each employer and only one set of financial statement are compiled for each fund not per employer. Further details of this plan is included in the notes to the Financial Statements.

Provision for impairment of trade receivables
The provision for impairment is measured as the difference between the assets carrying amount and the present value of estimated recoverable future cash flow based on past recovery trends.

Non-cash generating and cash generating impairment testing
Management used the fair value less cost to sell to determine the recoverable amount of assets with an indefinate useful life and identifying assets that may have been impaired. Additional disclosure of these estimates is included in note Impairment of assets.
All assets owned/recognised by the municipality are held for the provision of basic service and are considered to be non-cash generated assets.

Provision
Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provision are included in notes to Financial Statements.
Provision are measured at the head of department's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.
A provision is recognised when:
The municipality has a present obligation (legal or constructive) as a result of a past event.
It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
A reliable estimate can be made of the obligation.

1.7 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. The municipality shall present a comparison of budget and actual amounts as additional budget columns in the primary financial statements only where the financial statements and the budget are prepared on a comparable basis. All comparisons of budget and actual amounts shall be presented on a comparable basis to the budget. The municipality shall explain in notes to the financial statements the budgetary basis and classification basis adopted in the approved budget (refer note 1.10).

1.8 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality. Application of all of the GRAP standards noted below will be effective from a date to be announced by the Minister of Finance. The effective dates are currently unknown.

GRAP 104 Financial Instrument

The following Standards issued but not yet effective have an effective date of 1 April 2021

GRAP 104 Financial Instrument

1.9 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE

The Minister has determined the following GRAP standards as approved effective

GRAP 1 Presentation of Financial Statements
GRAP 2 Cash Flow Statements
GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4 The Effects of Changes in Foreign Exchange Rates
GRAP 5 Borrowing Costs
GRAP 7 Investments in Associates
GRAP 8 Interest in Joint Ventures
GRAP 9 Revenue from Exchange Transactions
GRAP 10 Financial Reporting in Hyperinflationary Economies
GRAP 11 Construction Contracts
GRAP 12 Inventories
GRAP 13 Leases
GRAP 14 Events After the Reporting Date
GRAP 16 Investment Property
GRAP 17 Property, Plant and Equipment
GRAP 18 Segment Reporting
GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
GRAP 21 Impairment of Non-cash-generating Assets
GRAP 23 Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24 Presentation of Budget Information in Financial Statements
GRAP 25 Employee Benefits
GRAP 26 Impairment of Cash-generating assets
GRAP 27 Agriculture
GRAP 31 Intangible Assets
GRAP 32 Service Concession arrangements: Grantor
GRAP 34 Separate Financial Statements
GRAP 35 Consolidated Financial Statements
GRAP 36 Investment in Associates and Joint Ventures
GRAP 37 Joint Arrangements
GRAP 38 Disclosure of Interests in Other Entities
GRAP 100 Discontinued Operations
GRAP 103 Heritage Assets
GRAP 104 Financial Instruments
GRAP 105 - Transfer of Functions Between Entities Under Common Control
GRAP 106 Transfer of Functions Between Entities Not Under Common Control
GRAP 107 Mergers
GRAP 108 Statutory Receivables
GRAP 109 Accounting by Principals and Agents
GRAP 110 Living and Non-Living Resources

Interpretations of the standard of GRAP Approved and effective
IGRAP 1 Applying The Probability Test On Initial Recognition Of Revenue
IGRAP 2 Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3 Determining Whether an Arrangement Contains a Lease
IGRAP 4 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5 Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6 Loyalty Programmes
IGRAP 7 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8 Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9 Distributions of Non-cash Assets to Owners
IGRAP10 Assets Received from Customers
IGRAP 11 Consolidation - Special Purpose Entities
IGRAP 12 Jointly Controlled Entities - Non-Monetary Contributions
IGRAP 13 Operating Leases - Incentives
IGRAP 14 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15 Revenue - Barter Transactions Involving Advertising Services
IGRAP 16 Intangible Assets - Website Costs
IGRAP 17 Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
IGRAP 18 Interpretation of the Standard of GRAP on Recognition and Derecognition of Land
IGRAP 19 Liabilities to Pay Levies
IGRAP 20 Accounting for Adjustments to Revenue

Interpretations of the standard of GRAP Approved and not yet effective
IGRAP 7 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 21 The Effect of past Decisions on Materiality
Directive 7 (Revised): The Application of Deemed Cost (1 April 2021)

The following standards have been issued but are not yet effective.
GRAP 104 Financial Instruments

Guidelines of the Standard of GRAP approved and effective
Guidelines on Accounting for Arrangements Undertaken into to the National Housing Programmod (1 April 2021)

Guidelines of the Standard of GRAP approved and not yet effective

Guidelines on Accounting for Landfill Sites
Guidelines on the Application of Materiality to Financial Statements

1.10 PRESENTATION OF BUDGET INFORMATION IN THE FINANCIAL STATEMENTS

The budget is mainly approved on a cash basis by functional classification. The approved budget covers the period from 1 July 2020 to 30 June 2021. The budget and accounting bases for some votes differ. The financial statements are prepared on the accrual basis using a classification on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. The amounts of these adjustments are identified in note 42. A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 30 June 2021 is presented in note 42. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is mainly prepared on a cash basis and the financial statements on the accrual basis. The reconciliation as required by GRAP 24 is also shown in note 42. The statement of comparison of budget and actual amounts is disclosed as a statement in the annual financial statements.

Differences between budget and actual amounts are regarded as material when a more than 10% variance exists.

2 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies had been applied consistently during the current and previous reporting period, as set out in note 1.2.

2.1 PROPERTY, PLANT AND EQUIPMENT

2.1.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site.

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

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.1.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.1.3 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the municipality will obtain ownership by the end of the lease term.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure	Years	Other	Years
Water	5 - 70	Machinery and equipment	2 - 30
Sewerage	5 - 70	Furniture and equipment	5 - 30
Other	0 - 30	Motor vehicles	3 - 15
Computer equipment	2 - 30	Buildings	5 - 30

There are 350 assets with nil book value, the assets have reached its maximum useful lives when being reassessed and therefore are fully depreciated and the assets are still being used by the municipality.

An entity shall assess at each reporting date whether there is an indication that the entity's expectations about the residual value and useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity shall revise the expected useful life and/or residual value accordingly. No longer a requirement to review residual values and useful lives each year.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance - refer to note 19 for further information on impairment of assets.

2.1.4 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

2.1.5 LEASED ASSETS

Leases in terms of which the municipality assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases. Upon initial recognition of assets leased under finance leases, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software and websites: 2 - 5 Years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date - refer to note 19 for further information on impairment of assets. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 HERITAGE ASSETS

4.1 INITIAL RECOGNITION AND MEASUREMENT

Heritage assets are assets that are normally held indefinitely for their unique cultural, environmental, historical, natural, scientific, technological or artistic significance for the benefit of future generations.

Certain heritage assets are described as inalienable items, thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

Heritage assets are recognised as an asset when:

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

If the municipality holds an asset that might be regarded as a heritage asset, but on initial recognition, the asset does not meet the above recognition criteria because it cannot be measured reliably, relevant and useful information about the heritage asset is disclosed in the notes to the financial statements.

On the date of initial recognition, heritage assets are measured at cost. Where a heritage asset is acquired through a non-exchange transaction, the cost is its fair value as at the date of acquisition.

4.2 SUBSEQUENT MEASUREMENT - COST MODEL

After recognition as an asset, a class of heritage assets are carried at its cost less any accumulated impairment losses.

4.3 DEPRECIATION & IMPAIREMENT

Heritage assets are not depreciated. The municipality assesses at each reporting date whether there is any indication that a heritage asset may be impaired - refer to note 18 for further information on impairment of assets.

In assessing whether there is an indication that an asset may be impaired, the municipality considers, as a minimum, the following indications:

4.3.1 External sources of

(a) During the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.

(b) The absence of an active market for a revalued heritage asset.

4.3.2 Internal sources of

(a) Evidence is available of physical damage or deterioration of a heritage asset.

(b) A decision to halt the construction of the heritage asset before it is complete or in a usable form.

4.4 DERECOGNITION

The carrying amount of a heritage asset is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

5 INVENTORIES

5.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

5.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

The basis of allocating cost to inventory items is the weighted average method.

5.3 WATER INVENTORY

Water inventory represents water housed in reservoirs within the municipal area and is measured at the lower of cost, which is deemed to be fair value, and net realisable value. In the absence of a market that trades in water outside of local government, the fair value utilised to quantify water inventory is based on the unit reference value. The unit reference value is determined by a formula that is utilised in the engineering department to calculate the development cost of new water resources.

Readings of water levels are taken at year-end, which is quantified at the above fair value.

6 INVESTMENTS IN CONTROLLED ENTITIES

In the municipality's separate annual financial statements, investments in controlled entities are measured at cost.

7 FINANCIAL INSTRUMENTS

7.1 INITIAL RECOGNITION

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or residual interest of another entity. A financial asset is:

cash,
a residual interest of another entity, or
a contractual right to
receive cash or another financial asset from another entity, or
exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to

deliver cash or another financial asset to another entity, or
exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity.

Financial instruments are initially recognised when the municipality becomes a party to the contractual provisions. Financial assets are recognised using trade date accounting.

The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or other notes thereto:

Financial Assets:

Cash and Cash Equivalents = Financial asset measurement at amortised cost
Trade and Other Receivables from Exchange Transactions = Financial asset measured at amortised cost
Trade and Other Receivables from Non-Exchange Transactions = Financial asset measured at amortised cost
Non-Current Receivables = Financial Asset measured at amortised cost

Financial Liabilities:

Trade and Other Payables from Exchange Transactions = Financial liability measured at amortised cost
Trade and Other Payables from Non-Exchange Transactions = Financial liability measured at amortised cost
Borrowings = Financial liability measured at amortised cost
Finance Lease Liabilities = Financial liability measured at amortised cost

7.2 INITIAL MEASUREMENT

Financial instruments are initially measured at fair value and plus transaction costs for financial instruments at amortised cost or cost. Fair value is usually the transaction cost at the date of recognition. For financial instruments at amortised cost, if the transaction cost is not market related (i.e. no interest is charged for deferred payments or when the account is overdue, or interest charged is at below market related rate) the municipality determines the fair value. The fair value is the present value of the expected future cash flows, without taking into account any future losses or the possibility of default, discounted using a market related interest rate, adjusted for credit risk over the expected life of the financial instrument. For financial instruments at fair value, the fair value is determined based on quoted prices in an active market. If there is no active market, it is determined using valuation techniques. For financial instruments at cost, the financial instrument is only measured at cost if the fair value can not be measured reliably. Where a financial instrument contains both a liability and a residual interest component, the municipality allocates the instrument into its component parts. The municipality recognises the liability at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its components.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with the terms used in the public sector either through established practices or legislation. Where the initial credit period granted is not in line with practices or legislation in the public sector, the effect of discounting is considered if it is material.

7.3 SUBSEQUENT MEASUREMENT

Financial assets and liabilities are subsequently measured either at fair value or amortised cost or cost using the following categories

(a) Financial instruments at fair value
(b) Financial instruments at amortised cost
(c) Financial instruments at cost

7.3.1 FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments at fair value comprise financial assets or financial liabilities that are derivatives , combined instruments that are designated at fair value , instruments held for trading . financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost and non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition. Financial instrument at fair value are subsequently measured at fair value with changes in fair value recognised in surplus or deficit

7.3.2 FINANCIAL INSTRUMENTS AT AMORTISED COST

Financial instruments at amortised cost are non-derivative financial assets or financial liabilities that have fixed or determinable payments , excluding those the municipality designates at fair value at initial recognition or are held for trading. Financial instruments at amortised cost are subsequently measured at amortised cost using effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated cash flows associated with the financial instrument (through the expected life of the instrument (or in some cases a shorter period) to the net carrying amount at initial recognition. Financial assets are subject to annual impairment review. Refer to note 7.6 for details on impairment and uncollectability of financial assets

7.3.3 FINANCIAL INSTRUMENTS AT COST

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Financial instruments at cost are subsequently measured at cost if the fair value cannot be reliably determined
Financial assets are subject to annual impairment review. Refer to note 7.6 for details on impairment and uncollectability of financial assets

7.4 RECLASSIFICATIONS

The municipality does not reclassify a financial instrument when it is issued or held , except for a combined instrument that is required to be measured at fair value or an investment in residual interest subject to certain requirements

7.5 GAINS AND LOSSES

Gains and losses on fair value measurements , reclassifications , impairment , derecognition are recognised in surplus or deficit

7.6 IMPAIRMENT AND UNCOLLECTABILITY OF FINANCIAL ASSETS

Financial assets are subject to annual impairment review as follows

7.6.1 FINANCIAL ASSETS AT AMORTISED COST

For financial assets at amortised cost, the municipality assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on a financial asset has been incurred, the loss is recognised in surplus or deficit. The municipality assesses financial assets individually when assets are individually significant, and individually or collectively for financial assets that are not individually significant. Where no objective evidence of impairment exists for an individually assessed asset (whether individually significant or not) an entity includes the assets in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. The impairment loss is the difference between the carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The impairment loss is recognised in surplus or deficit by reducing the carrying amount either directly or through the use of an allowance account. If, in a period after an impairment loss has been recognised, events occur or circumstances change that indicate that the impairment loss recognised in a previous period should be reversed, the municipality reverses the impairment loss previously recognised either directly or by adjusting an allowance account

7.6.2 FINANCIAL ASSETS AT

For financial assets at cost, the municipality assesses whether there is any objective evidence that a financial asset is impaired. If there is objective evidence that an impairment loss on a financial asset has been incurred, the loss is recognised in surplus or deficit. The impairment loss is the difference between the carrying amount and the present value of estimated future cash flow discounted at the current market rate of return for similar financial assets. The impairment loss is recognised in surplus or deficit by reducing the carrying amount directly. The impairment loss is never reversed in subsequent periods

7.7 DERECOGNITION

7.7.1 FINANCIAL ASSETS

The municipality derecognises financial assets using trade date accounting. The municipality derecognises a financial asset only when
(a) the contractual rights to the cash flows from the financial asset expire, are settled or waived,
(b) the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset or
(c) the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality shall
(i) derecognise the asset, and
(ii) recognise separately any rights and obligations created or retained in the transfer

7.7.2 FINANCIAL LIABILITIES

The municipality removes a financial liability from its statement of financial position when , and only, it is extinguished . A financial liability is extinguished when the debtor either
(a) Discharges the liability by paying the creditor, normally with cash, other financial liabilities , goods or services
(b) is legally released from primary responsibility for the liability either by process of law or by the creditor (cancelled) . If the debtor has given a guarantee , this condition may still be met.
(c) Waives the debt or it is assumed by another municipality by way of a non- exchange transaction
Interest, dividends or similar distributions , losses and gains relating to a financial instrument or a component that is a financial liability should be recognised as revenue or expense in surplus or deficit . A financial asset and a financial liability should be offset and the net amount presented in the statement of financial position when and when the municipality
(a) Currently has a legally enforceable right to set off the recognised amounts, and
(b) Intends either to settle on a net basis or to realise the asset and settle the liability simultaneously

8 FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are translated to the functional currency of the municipality at exchange rates at the dates of the transactions

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date . The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period adjusted for effective interest and payments during the period and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in surplus or deficit, except for differences arising on the retranslation of available-for-sale financial instruments, which are recognised in net assets

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction . Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

9 **UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is defined in section 1 of the MFMA as follows

"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

9.1 **IDENTIFICATION AND INTERNAL REPORTING**

Unauthorised expenditure is identified through the municipality's financial system application controls. On identification of the unauthorised expenditure due to overspending on specific votes, the relevant Head of department is notified. Where funds are available on other votes within the directorate, virements are made within the provisions of the virement policy. If after the provisions of the virement policy are applied, the unauthorised expenditure still remains/exist, it is recorded in the unauthorised expenditure register and reported to the accounting officer, mayor and council in terms of MFMA section 32.

9.2 **COUNCIL DECISION AND ACCOUNTING TREATMENT**

Unauthorised expenditure that is incurred before the adjustment budget process is finalised is condoned by council through the adjustment budget. Unauthorised expenditure that is incurred after the adjustments budget is referred to the Municipal Public Accounts Committee (MPAC) for investigation and recommendation to council. Where MPAC after investigation, recommends to council to certify the unauthorised expenditure as irrecoverable and write - off, the unauthorised expenditure is disclosed in the notes to the financial statements as condoned by council. Where MPAC determines after investigation, that the unauthorised expenditure must be recovered from the relevant official, the unauthorised expenditure is recognised as an asset (debtor) in the statement of financial position and also disclosed in the unauthorised expenditure note as unauthorised expenditure incurred in the current financial year.

9.3 **EXTERNAL REPORTING**

The accounting officer of the municipality promptly informs the mayor, the MEC for local government in the province and the Auditor - General, in writing, of

(a) Any unauthorised expenditure incurred by the municipality,

(b) Whether any person is responsible or under investigation for such unauthorised expenditure, and

(c) The steps that have been taken-

(i) To recover or rectify such expenditure, and

(ii) To prevent a recurrence of such expenditure

10 **IRREGULAR EXPENDITURE**

Irregular expenditure is defined in section 1 of the MFMA as follows

"irregular expenditure", in relation to a municipality or municipal entity, means—

(a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;

(b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

(d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law

10.1 **IDENTIFICATION AND INTERNAL REPORTING**

Every expenditure item is reviewed before payment is made to identify any instances of non-compliance with the relevant Acts and supply chain management policy of the municipality. Where an expenditure item is identified as irregular expenditure, it is recorded in the irregular expenditure register and reported to the accounting officer, mayor and council in terms of MFMA section 32.

10.2 **COUNCIL DECISION AND ACCOUNTING TREATMENT**

Irregular expenditure reported to council is referred to the Municipal Public Accounts Committee (MPAC) for investigation and recommendation to council. Where MPAC after investigation, recommends to council to certify the irregular expenditure as irrecoverable and write - off, the irregular expenditure is disclosed in the notes to the financial statements as certified and written - off by council as irrecoverable. Where MPAC determines after investigation, that the irregular expenditure must be recovered from the relevant official, the irregular expenditure is recognised as an asset (debtor) in the statement of financial position and also disclosed in the irregular expenditure note as irregular expenditure incurred in the current financial year.

10.3 **EXTERNAL REPORTING**

The accounting officer of the municipality promptly informs the mayor, the MEC for local government in the province and the Auditor - General, in writing, of:

(a) Any irregular expenditure incurred by the municipality,

(b) Whether any person is responsible or under investigation for such irregular expenditure, and

(c) The steps that have been taken-

(i) To recover or rectify such expenditure; and

(ii) To prevent a recurrence of such expenditure

11 **FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is defined in section 1 of the MFMA as follows

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised

11.1 IDENTIFICATION AND INTERNAL REPORTING
Every expenditure item is reviewed before payment is made to identify whether it meets the definition of fruitless and wasteful expenditure. Where an expenditure item is identified as fruitless and wasteful expenditure it is recorded in the fruitless and wasteful expenditure register and reported to the accounting officer, mayor and council in terms of MFMA section 32.

11.2 COUNCIL DECISION AND ACCOUNTING TREATMENT
Fruitless and wasteful expenditure reported to council is referred to the Municipal Public Accounts Committee (MPAC) for investigation and recommendation to council. Where MPAC after investigation recommends to council to certify the fruitless and wasteful expenditure as irrecoverable and write - off the fruitless and wasteful expenditure is disclosed in the notes to the financial statements as certified and written - off by council as irrecoverable. Where MPAC determines after investigation, that the fruitless and wasteful expenditure must be recovered from the relevant official the fruitless and wasteful expenditure is recognised as an asset (debtor) in the statement of financial position and also disclosed in the fruitless and wasteful expenditure note as fruitless and wasteful expenditure incurred.

11.3 EXTERNAL REPORTING
The accounting officer of the municipality promptly informs the mayor, the MEC for local government in the province and the Auditor - General, in writing, of
(a) Any irregular expenditure incurred by the municipality
(b) Whether any person is responsible or under investigation for such fruitless and wasteful expenditure and
(c) The steps that have been taken.
(i) To recover or rectify such expenditure, and
(ii) To prevent a recurrence of such expenditure

12 PROVISIONS
Provisions are recognised when the municipality has a present or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).
The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met
(a) The municipality has a detailed formal plan for the restructuring identifying at least
- the business or part of a business concerned
- the principal locations affected
- the location, function, and approximate number of employees who will be compensated for terminating their services
- the expenditures that will be undertaken,
- when the plan will be implemented, and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

13 LEASES

13.1 MUNICIPALITY AS LESSEE
Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.
Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The leased asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

13.2 MUNICIPALITY AS LESSOR
Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease

The tariff in respect of sewerage is based on the value of consumption used from one point of meter supply

14 REVENUE

14.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable

Service charges relating to water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Further adjustments are made to take into account staggered tariffs where applicable. The estimates of consumption between meter readings are based on 6 months average reading history

Service charges from sewerage and sanitation are based on the value of consumption used from one point of meter supply and this is set out in the tariffs of charges approved by Council

Revenue from the sale of water prepaid meter cards is recognized based on consumption except where a reliable estimate cannot be made after every reasonable effort to gather appropriate information had been made. In these instances, revenue is recognized at the point of sale

Interest revenue is recognised on a time proportion basis

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services

14.2 REVENUE FROM NON - EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions are transactions where the municipality receives revenue and provide no or a nominal consideration directly in return

A transaction can be a combination of exchange and non-exchange transactions. In these instances the municipality determines what portion of the transaction is an exchange transaction and what portion is a non-exchange transaction and then recognise it separately

Most non-exchange transactions that the municipality enters into involve stipulations on transferred assets are in terms in laws or regulations, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the municipality. Stipulations can either be in the form of conditions or in the form of restrictions. For both conditions and restrictions the municipality may be required to use the transferred asset for a particular purpose. The municipality uses substance over form to determine whether a stipulation is a condition or restriction

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised

14.3 RECOGNITION

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognised as an asset when all of the following criteria have been satisfied

(a) When the resource is controlled by the entity as a result of a past event
(b) It is probable that the future economic benefits or service potential associated with the resource will flow to the municipality, and
(c) The fair value of the resource can be measured reliably.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow (which is the case when a stipulation is a condition)

Liabilities are recognised for conditions to be met which is attached to the transferred asset. The liability is discharged and revenue recognised as the conditions are satisfied

The municipality does not recognise service in - kind

The municipality recognises revenue from vat refunds on cash basis

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised

14.4 MEASUREMENT

Non-monetary assets such as property, plant and equipment, investment property, and inventory, acquired through a non-exchange transaction, are initially measured at its fair value on acquisition date

Monetary assets arising out of a contractual agreement, such as cash and receivables, are initially measured at fair value on acquisition date

Revenue is measured at the amount equal to the increase in net assets (i.e. the net effect)

The amount recognised as a liability is the best estimate of the amount required to settle the present obligation at the reporting date

Revenue from vat refunds is measured at gross amounts

15 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred

16 EMPLOYEES BENEFITS

16.1 SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past service or performance and the obligation can be estimated reliably

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expects to pay in exchange for that service and had accumulated at the reporting date

16.2 POST- EMPLOYMENT BENEFITS

16.2.1 DEFINED CONTRIBUTION PLANS

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit in the period in which the service is rendered by the relevant employees, unless another standard requires or permits the inclusion of the contribution in the cost of an asset. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past service or performance and the obligation can be estimated reliably

Where contributions to a defined contribution plan do not fall due wholly within twelve months after end of the period in which the employees render the related service, they are discounted using a risk-free rate determined by reference to market yields at the reporting date on government bonds or by reference to market yields on high quality corporate

16.2.2 DEFINED BENEFITS PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. It defines an amount of benefit that an employee will receive on retirement. The municipality's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. These benefits are discounted to determine its present value. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets.

The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the municipality's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the municipality, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the municipality. An economic benefit is available to the municipality if it is realisable during the life of the plan, or on settlement of the plan liabilities.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past service or performance and the obligation can be estimated reliably.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. The expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.
When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in surplus or deficit on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in surplus or deficit.

16.2.3 OTHER LONG - TERM BENEFITS PLANS

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality.

The municipality's net obligation in respect of long service awards is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value and the fair value of any related assets is deducted to determine the net obligation.

The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the municipality's obligations. The

16.2.4 **TERMINATION BENEFITS**

Termination benefits are recognised as an expense when the municipality is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the municipality has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

17 **VALUE ADDED TAX (VAT)**

The municipality accounts for VAT on the cash basis. The municipality is liable to account for VAT at the standard rate (15%) in terms of section 7(1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or is out of scope for VAT purposes. The municipality accounts for VAT on a monthly basis.

18 **IMPAIRMENT OF ASSETS**

Primary objective for cash generating assets is to generate a commercial return and the primary objective for non- cash generating asset is service delivery. The municipality uses the following sets of questions as a criteria to distinguish between cash generating and non-cash generating assets
(a) Was the asset acquired to generate a commercial return?
(b) Does the asset operate independently from other assets?
(c) Does the asset generate cash flows independently from other assets?
If the answer is yes to all of these questions, then the municipality accounts for the asset as a cash generating asset. If the above criteria is not met, the municipality accounts for the asset as non-cash generating asset.

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

Irrespective of whether there is any indication of impairment, the municipality also
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a non - cash generating unit is the higher of its fair value less costs to sell and its value in use. The recoverable carrying amount is higher of its fair value less cost to sell and its value in use.

Value in use of a cash generating asset is determined as the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life. Value in use of a non cash generating asset is determined as the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:
- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

19 **RELATED PARTIES**

The municipality operates in an economic sector currently dominated by entities directly owned by the iLembe District Municipality. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.
Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

20 **EVENTS AFTER REPORTING DATE**

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

21 **COMMITMENTS**

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and

- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment

22 **segment information**

A segment is an activity of an entity
that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
for which separate financial information is available.
Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement
The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.
If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

22.01 Identification of segments

The municipality is organised and reports to management on the basis of major functional areas. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross Balances R	Allowance for impairment on receivables	Net Balance
Trade receivables			
For the period ended 30 June 2022			
Service debtors			
Water and Sewerage	658,043,850	(474,971,912)	183,071,938
Direct Payments	(239,527)	-	(239,527)
Total	**657,804,323**	**(474,971,912)**	**182,832,411**
Other Receivables			
Accrued Income	23,836,268	-	23,836,268
Ilembe Enterprise	64,922	-	64,922
Outstanding deposits	67,283	-	67,283
Sundry Debtors	2,740,147	-	2,740,147
Other debtors	18,903,368	(11,530,384)	7,372,983
Acknowledgement of debt	349,466	-	349,466
Vat receivable	-	-	-
Total other Receivables	**45,961,454**	**(11,530,384)**	**34,431,069**
Total Trade and other receivables	**703,765,777**	**(486,502,296)**	**217,263,480**
as at June 2021			
Service debtors			
Water and Sewerage	549,648,889	(426,717,329)	122,931,560
Direct Deposits	(308,529)		(308,529)
Total	**549,340,360**	**(426,717,329)**	**122,623,031**
Other receivables			
Umngeni water debtor		-	-
Accrued interest	2,358,864	-	2,358,864
Ilembe Enterprise	-	-	-
Outstanding deposits	289,556	-	289,556
Sundry Debtors	2,765,783	-	2,765,783
Other debtors	10,741,158	(4,151,851)	6,589,308
Acknowledgement of debt	98,098	-	98,098
Vat receivable	-	-	-
Other receivables	**16,253,458**	**(4,151,851)**	**12,101,608**
Total Trade and other receivables	**565,593,819**	**(430,869,180)**	**134,724,639**

Summary of Debtors by Customer Classification	Residential R	Industrial/ Commercial R	National and Provincial Government R
For the period ended 30 June 2022			
Current (0 – 30 days)	20,468,610	3,974,058	4,533,945
31 - 60 Days	16,481,666	2,963,366	2,460,453
61 - 90 Days	16,646,495	1,203,040	1,977,028
91 - 120 Days	17,059,791	834,242	1,432,190
121 - 365 Days	14,857,331	763,961	1,039,344
+ 365 Days	515,185,663	19,260,526	16,902,141
Sub-total	**600,699,558**	**28,999,192**	**28,345,100**
Less Allowance for impairment on receivables	(456,271,982)	(18,699,930)	
Total debtors by customer classification	**144,427,576**	**10,299,262**	**28,345,100**
at 30 June 2021			
Current (0 – 30 days)	17,372,255	4,383,189	1,797,136
31 - 60 Days	15,637,073	1,736,150	835,177
61 - 90 Days	15,403,052	1,399,022	532,835
91 - 120 Days	13,049,973	1,378,123	437,107
121 - 365 Days	13,214,190	1,072,001	464,630
+ 365 Days	428,273,825	10,768,517	10,235,578
Sub-total	**502,950,368**	**20,737,002**	**14,302,463**
Less Allowance for impairment on receivables	(409,820,153)	(16,897,177)	-
Total debtors by customer classification	**93,130,215**	**3,839,825**	**14,302,463**

	2022 R	2021 R *Restated*
Water and Sewerage: Ageing		
Current (0 – 30 days)	28 976 813	24 514 166
31 - 60 Days	21 305 185	19 499 055
61 - 90 Days	19 826 563	18 747 971
91 - 120 Days	19 326 224	15 730 297
121 - 150 Days	16 660 636	15 370 144
+ 365 Days	551 348 329	455 787 255
Total	**658,043,850**	**549,648,889**
Reconciliation of the debt impairment provision - Trade Receivables		
Balance at beginning of the year	(426 717 329)	(309 047 297)
Contributions to provision VAT inclusive	(172 042 843)	(120 402 742)
Bad debts recovered/ Consumer Accounts Adjustments		412 897
Doubtful debts written off against provision	72 788 260	2 319 813
Balance at end of year	**(474,971,912)**	**(426,717,329)**
Contributions to provision exluding VAT - Consumer Debtos	(105 367 905)	(104 698 036)
Contributions to provision exluding VAT - Other Debtos	(7 377 484)	
	-112,745,390	**-104,698,036**

3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following		
Petty cash and cash on hand	44 000	44 000
Bank statement balance	202 742 719	202 990 987
	202,786,719	**203,034,987**
The Municipality has the following bank accounts :		
Water Bank Account		
ABSA Bank Account - Durban Branch		
Account Number 4057878321 - Current Account		
Cash book balance at beginning of year	15 341	(483 304)
Cash book balance at end of year	**13,491**	**15,341**
Bank statement balance at beginning of year	160 194	658 298
Bank statement balance at end of year	**64,911**	**160,194**
Salaries Bank Account		
First National Bank - Durban Branch		
Account Number 62006302385 - Current Account		
Cash book balance at beginning of year	59 891	167 688
Cash book balance at end of year	**183,831**	**59,891**
Bank statement balance at beginning of year	116 010	2 272 594
Bank statement balance at end of year	**183,831**	**116,010**
Main Bank Account		
First National Bank - Durban Branch		
Account Number 50851211546 - Current Account		
Cash book balance at beginning of year	17 576 375	(14 579 766)
Cash book balance at end of year	**8,376,346**	**17,576,375**
Bank statement balance at beginning of year	17 581 495	8 391 149
Bank statement balance at end of year	**8,376,346**	**17,581,495**
Revenue Bank Account		
First National Bank - Durban Branch		
Account Number 62409368722 - Current Account		
Cash book balance at beginning of year	8 970 755	13 975 078
Cash book balance at end of year	**12,028,472**	**8,970,755**
Bank statement balance at beginning of year	8 843 479	13 387 106
Bank statement balance at end of year	**12,114,216**	**8,843,479**
Projects Bank Account		
First National Bank - Durban Branch		
Account Number 62046718641 - Current Account		
Cash book balance at beginning of year	32 717 597	(60 192 071)
Cash book balance at end of year	**20,377,451**	**32,717,597**
Bank statement balance at beginning of year	32 717 638	9 385 846
Bank statement balance at end of year	**21,761,790**	**32,717,638**
FNB Sub-Main		
First National Bank - Stanger Branch		
Account Number 62824322862 - Current Account		
Cash book balance at beginning of year	(11 386 711)	500,143
Cash book balance at end of year	**(8,637,565)**	**(11,386,711)**
Bank statement balance at beginning of year	325,126	506,478
Bank statement balance at end of year	**5,753,761**	**325,126**
Inter Bank Transfers		
Investment Current Account		
ABSA Bank Account - Durban Branch		
Account Number 9114541258 - Call Account		
Bank statement balance at the beginning of the year	-	507
Bank statement balance at the end of the year	-	-

	2022 R	2021 R
Investment Current Account *FNB Bank Call Account -* *Business Ntsd 62129309937 Call Account -*		
Bank statement balance at the beginning of the year	7 722 652	22 969 [illegible]
Bank statement balance at the end of the year	-	7 722 652
Investment Current Account *FNB Call Account -* *Account Number 51085057093 Call Account*		
Bank statement balance at the beginning of the year	267 424	35 875 334
Bank statement balance at the end of the year	270 814	267 424
Investment Current Account *Fixed Deposit STD* *Account Number 00458544396-012*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *Fixed Deposit STD* *Account Number 00458544396-013*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *Fixed Deposit STD* *Account Number 00458544396-014*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *Fixed Deposit STD* *Account Number 00458544396-015*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *32 Day Notice Deposit* *Account Number 00458544396-016*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *Fixed Deposit STD* *Account Number 00458544396-017*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *Fixed Deposit STD* *Account Number 00458544396-018*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *32 Day Notice Deposit STD* *Account Number 00458544396-019*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *32 Day Notice Deposit STD* *Account Number 00458544396-020*		
Bank statement balance at the beginning of the year	-	-
Bank statement balance at the end of the year	-	-
Investment Current Account *32 Day Notice Deposit STD* *Account Number 00458544396-021*		
Bank statement balance at the beginning of the year		
Bank statement balance at the end of the year	-	
Investment Current Account *32 Day Notice Deposit STD* *Account Number 00458544396-022*		
Bank statement balance at the beginning of the year	-	-
Bank statement balance at the end of the year	-	
Investment Current Account *32 Day Notice Deposit STD* *Account Number 00458544396-023*		
Bank statement balance at the beginning of the year	-	-
Bank statement balance at the end of the year	-	

	2022 R	2021 R
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62758088746 Call Account*		
Bank statement balance at the beginning of the year	2 877 337	2 410 998
Bank statement balance at the end of the year	**2 990 636**	**2 877 337**
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62771448462 Call Account*		
Bank statement balance at the beginning of the year	475 821	761 104
Bank statement balance at the end of the year	**1 798**	**475 821**
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62773447729 Call Account*		
Bank statement balance at the beginning of the year	9 229	1 363
Bank statement balance at the end of the year	**599**	**9 229**
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62773446929 Call Account*		
Bank statement balance at the beginning of the year	172 127	716 440
Bank statement balance at the end of the year	**367**	**172 127**
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62773449965 Call Account*		
Bank statement balance at the beginning of the year	7 043 649	9 278 052
Bank statement balance at the end of the year	**3 248 279**	**7 043 649**
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62773451366 Call Account*		
Bank statement balance at the beginning of the year	44 685 728	39 856 777
Bank statement balance at the end of the year	**34,072,869**	**44 685 728**
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62796879206 Call Account*		
Bank statement balance at the beginning of the year	-	3 664 389
Bank statement balance at the end of the year	**16,619,287**	-
Investment Current Account *First National Bank Account* *Account Number 62905591170 Call Account*		
Bank statement balance at the beginning of the year	1 044 491	-
Bank statement balance at the end of the year	**1 084 161**	**1 044 491**
Investment Current Account *ABSA Fixed Deposit* *Account Number 2080258065*		
Bank statement balance at the beginning of the year	-	
Bank statement balance at the end of the year	-	
Investment Current Account *First National Bank* *Account Number 63006114134*		
Bank statement balance at the beginning of the year	-	
Bank statement balance at the end of the year	**31 632 981**	
Investment Current Account *INVESTEC FIXED* *Specify (INVESTEC BANK (71004358775037) Call Account*		
Bank statement balance at the beginning of the year	-	1 399 624
Bank statement balance at the end of the year	-	-
Investment Current Account *First National Bank* *Account Number 62313562309 Call Account*		
Bank statement balance at the beginning of the year	401 048	47 396 538
Bank statement balance at the end of the year	**1 288 427**	**401 048**
Investment Current Account *First National Bank Account Durban Branch* *Account Number 62896350817 Call Account*		
Bank statement balance at the beginning of the year	36 805 325	-
Bank statement balance at the end of the year	**406 271**	**36 805 325**
Investment Current Account *First National Bank Account - Durban Branch* *Account Number 62905593837 Call Account*		
Bank statement balance at the beginning of the year	103 184	-
Bank statement balance at the end of the year	**107 103**	**103 184**
Investment Current Account *First National Bank Account* *Account Number 74905604134*		
Bank statement balance at the beginning of the year	17 698 989	-
Bank statement balance at the end of the year	**36 383 305**	**17 698 989**
Investment Current Account *First National Bank Account* *Account Number 62905587806 Call Account*		
Bank statement balance at the beginning of the year	1 295 470	-
Bank statement balance at the end of the year	**3 876 876**	**1 295 470**
Investment Current Account *First National Bank Account* *Account Number 62905590007 Call Account*		
Bank statement balance at the beginning of the year	685 984	-
Bank statement balance at the end of the year	**13**	**685 984**

	2022 R	2021 R
Investment Current Account		
First National Bank Account - Durban Branch		
Account Number 62828232520 Call Account		
Bank statement balance at the beginning of the year	21 958 589	16 960 766
Bank statement balance at the end of the year	22 506 879	21 958 589
Petty cash and cash on hand	44 000	44 000
Total investments	**154,487,865**	**143 247 046**
Bank Statement Balance	**48,254,855**	**59,743,942**
Cash book balance at beginning of year	47 997 249	(60 608 221)
Cashbook balance at year end	**32 386 028**	**47 997 249**

4 INVESTMENT IN CONTROLLED ENTITY

Investments in controlled entity - Enterprise Ilembe Development Agency	100	100
% Holding	100%	100%

Ordinary Share 100 @ R1 each

5 INVENTORIES

Opening balance of inventories	**10,888,684**	**10,533,659**
Consumable stores - at Net Replacement Cost	8 140 982	8 900 382
Prior period adjustment		294 393
Water	2,747 702	1,338,883
Receipts (Acquisitions)	**207,261,536**	**237,546,940**
Consumable stores	15,386 115	8,973,506
Water	191,875 420	228,573 434
Issued (expensed)	**(204,308,642)**	**(236,851,104)**
Consumable stores	(12 271 793)	(9 686 489)
Water	(192 036,860)	(227 164 615)
Write-down / (reversal of write-down) to Net Replacement Value (NRV) or Net Replacement Cost (NRC)		
	(2 059 195)	**(340,811)**
Consumable stores	(2 059 195)	(340 811)
Water		
Closing balance of inventories	**11,782,382**	**10,888,684**
Consumable stores	9 196 119	8 140 982
Water	2,586,263	2,747 702

There is no inventory pledged as a security for liability

6 NON-CURRENT RECEIVABLES

Staff Debtors	1 011 022	849 754
Councillor A Baardman Salary Overpayment	239,763	239,763
Total	**1,250,785**	**1,089,517**

Staff debtors relate to bursaries granted to certain staff members as part of a bursary scheme approved by council

7 Value Added Tax

PERIOD ENDED 30 JUNE 2022

LEDGER ANALYSIS		
ITEM DESCRIPTION	VAT RECEIVABLE	VAT PAYABLE
VAT CONTROL - SARS NET VAT REFUNDABLE	6 948 568 02	
INPUT VAT SUSPENSE - OUTSTANDING CREDITORS INVOICES (NOT PAID YE	15 280 481 58	
INPUT VAT PAID BUT NOT PAID	3 848 257 16	-
OUTPUT VAT ON CONSUMER BILLING - OPENING BAL 01/07/2021		72,007,268 16
OUTPUT VAT ON CONSUMER BILLING - 2021 FIN YEAR MOVEMENT		17,472,129 58
OUTPUT VAT ON CONSUMER RECOGNISED - 2021 FIN YEAR MOVEMENT		1 659 70
VAT - PROVISION ON DOUBTFUL DEBTS (PRIOR YEARS)		56 016,085 15
VAT - PROVISION ON DOUBTFUL DEBTS (2022 FIN YEAR MOVEMENT)		15,805,185 80
TOTAL VAT RECEIVABLE / PAYABLE PER THE LEDGER	**26,077,306.76**	**17,659,786.79**
NET VAT RECEIVABLE / (PAYABLE)	**8,417,519 97**	

DETAILED VAT ANALYSIS	
JUNE 2022 VAT Claim (Per SARS VAT Return)	6,348,568 02
Input VAT Claimable (Not included in June 2022 SARS VAT Return)	3 848 257 16
Input VAT Claimable (Accrued Creditors Invoices payable during 2021/22 Fin Y	15 280 481 58
Sub-Total Input VAT Claimable	**26,077,306 76**
NET Input VAT Claimable during 2022/23 Financial Year	**26,077,306.76**
Output VAT on Consumer Billing - Opening Balance as at 01/07/2021	-72,007,268 16
Output VAT on Consumer Billing - Movement During 2021/22 Financial Year	-17,472,129 88
Output VAT on Consumer Recognised - Movement During 2021/22 Financial Year	1 659 70
Sub-Total Output VAT	**-89,481,057.74**
Less VAT Provision on Doubtful Debts	**71,821,270 95**
NET Output VAT Payable	**17,659,786 79**
NET VAT RECEIVABLE / (PAYABLE)	**8,417,519 97**

	2022 R	2021 R

PERIOD ENDED 30 JUNE 2021

The Municipality is on a payment basis in terms of submission of VAT Returns to the South African Revenue Services (SARS). However, since the Municipality is on the accrual basis of accounting Output VAT Accrual is raised when a transaction relating to the sale of water, rendering of sanitation services or any other sundry income transactions occur. Similarly, Input VAT Accrual is raised when suppliers and/or service providers invoices are processed.

The Output VAT Accrual is cleared when monies in respect of billed income is received by the Municipality. The Output Accrual in respect of billed income where monies for such billed income is not yet received by the Municipality remains as balances in the Output VAT Accrual. The portion of Output VAT that is proportionate to the payment received is moved into the VAT Control Account.

The Input VAT Accrual is cleared when monies in respect of invoices for goods supplied and/or services rendered are paid through the Municipality's Cash Book system. The portion of Input VAT that is proportionate to the payment made out of the Municipality's Cash Book is moved into the VAT Control Account.

Where the balance of Output VAT due to be payable to SARS exceeds the Input VAT claimable, the net position of the VAT Control Account becomes a net "Payable". If, however, the Input VAT due to the Municipality exceeds the Output VAT due to SARS, the net position of the VAT Control Account becomes a net "Receivable".

As the Municipality will from time to time make an assessment on the collectibility of billed income overtime and raise the necessary provisions to impair a portion of debt that is considered uncollectible such debt impairment takes into account the VAT portion which is part of outstanding debt at the time of assessment. Similarly, such Output VAT Accrued should be impaired accordingly.

At 30 June 2021, the Municipality had a balance of Output VAT Accrual amounting to R72 007 268.16 relating to current and historically billed income. Over the years when collectibility of consumer debt was assessed and such uncollectable debt impaired, the VAT implications were not considered, resulting in the accumulation of the Output VAT Accrual over time. This error was only corrected during 2020/21 reporting year. This resulted into the correction being split into two, namely correcting the implications of VAT in the current year movement of Debt Impairment and Correction of Prior Year Errors being:

NARRATIVE INFORMATION	PROVISIONS	VAT IMPLICATIONS
Cummulative Provision for Debt Impairment - 30 June 2020 (Inclusive of VAT)	309 053 911.90	
Cummulative Provision for Debt Impairment - 30 June 2020 (Exclusive of VAT)	268 742 531.30	
VAT Adjustment - 30 June 2020 (at 15%)	40 311 379.70	40 311 379.70
Provision for Debt Impairment - 30 June 2021 (Inclusive of VAT)	120 402 741.81	
Provision for Debt Impairment - 30 June 2021 (Exclusive of VAT)	104 698 036.36	
VAT Adjustment - 30 June 2021 (at 15%)	15 704 705.45	15 704 705.45
VAT PROVISION ON DOUBTFUL DEBTS		56,016,085.15

DETAILED VAT ANALYSIS	
June 2021 VAT Claim (Per SARS VAT Return)	7 078 213.06
Input VAT Claimable (Not included in June 2021 SARS VAT Return)	1,821,458.12
Input VAT Claimable (Accrued Creditors Invoices payable during 2021/22 Fin Year)	32 924 473.03
Sub-Total Input VAT Claimable	41,824,144.21
Add VAT Claims Disallowed by SARS	5,295,596.84
Sub-Total Input VAT	47,119,741.05
Less VAT Claims Disallowed by SARS (Written Off Against Accumulated Surplus)	5,295,596.84
NET Input VAT Claimable	41,824,144.21
Output VAT on Consumer Billing - Opening Balance as at 01/07/2021	-35 738 239
Output VAT on Consumer Billing - Movement During 2020/21 Financial Year	-36,269,029
Sub-Total Output VAT	72,007,268
Less VAT Provision on Doubtful Debts	56,016,085
NET Output VAT Payable	15,991,183
Prior year adjustment	7,404,682
NET VAT RECEIVABLE / (PAYABLE)	18,428,279

5 DIVIDENDS

Sua Water Dividends	21,500,000	
	21,500,000	

10 PROPERTY, PLANT AND EQUIPMENT

10.1 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure Water & Sewer	Computer Equipment	Furniture & Office Equipment	Machinery & Equipment	Transport	Total
	R	R	R	R	R	R		R
As at 1 July 2021	**3,092,908**	**22,195,002**	**2,638,787,534**	**7,419,638**	**2,111,091**	**3,429,574**	**50,603,539**	**2,727,639,286**
Cost/Revaluation	3,092,908	34,484,212	3,449,500,205	10,436,583	4,409,732	5,366,959	79,335,859	3,586,626,458
Correction of prior year error (note 30) - Cost		-	(23,250)	-	-	23,250		-
Correction of prior year error (note 30) - Accumulated depreciation and impairment losses			354,756			(18,615)	23,032	359,173
Accumulated depreciation and impairment losses	-	(12,289,210)	(811,044,177)	(3,016,944)	(2,298,642)	(1,942,021)	(28,755,353)	(859,346,348)
Acquisitions	-		-	2,255,991	-	415,524	7,093,224	9,764,740
Capital under Construction	-		216,542,015		(0)	-	-	216,542,015
Depreciation	-	(1,214,947)	(104,593,439)	(2,306,525)	(289,735)	(575,628)	(19,866,997)	(128,847,271)
Carrying value of disposals	-	-	**(3,730,978)**	**(53,207)**	**(71,389)**	**(35,949)**	**(524,016)**	**(4,415,539)**
Cost/Revaluation	-	-	(26,026,356)	(369,445)	(383,953)	(353,326)	(2,013,786)	(29,146,867)
Accumulated depreciation and impairment losses	-	-	22,295,378	316,238	312,564	317,377	1,489,770	24,731,327
Impairment loss/Reversal of impairment loss	-	-	(3,080,085)	-	(1,023)	(272,712)		(3,353,820)
Transfer into Assets	-	-	210,793,556		-	426,509	-	211,220,065
Transfer from asset		-	(210,793,556)		(426,509)		-	(211,220,065)
Accumulated depreciation and impairment losses: Transfers					399,191	(399,191)		-
Other movements (change in accounting estimates)	-	-	(1,060,413)	(136,363)	(31,155)	(46,357)	-	(1,274,288)
For the period ended 30 June 2022	**3,092,908**	**20,980,055**	**2,742,864,633**	**7,179,536**	**1,690,470**	**2,941,768**	**37,305,750**	**2,816,055,122**
Cost/Revaluation	3,092,908	34,484,212	3,639,992,614	12,323,130	3,599,269	5,878,916	84,415,297	3,783,786,346
Accumulated depreciation and impairment losses	-	(13,504,157)	(897,127,981)	(5,143,594)	(1,908,799)	(2,937,148)	(47,109,547)	(967,731,226)

The circumstances under Impairment of Proprerty Plant and Equipment were derived through verification and conditional assessment of assets.

Threre is no Property, Plant and Equipment pledge as security for liabilities.

Assets Under Construction is made of the following:	
Groutville Professional fees (Vumesa)	1,625,162
Augmentation of Sokesimbone Water Supply Scheme and Construc	7,687,855
Bulk Mains: Southern Regional (Escongweni)	24,049,954
Construction of bulk pipeline at Ngcebo / Kwadukuza Zone G	6,239,514
Distribution: Ndwedwe Reticulation	12,792,421
Distribution: Sonkombo Water Reticulation	1,326,658
Driefontein Professional Fees	6,687,208
MACAMBINI WATER SUPPLY SCHEME	10,766,487
MAQHUMBI CWSS ZONE A B D & E P	13,052,648
Masibambisane Water Supply Refurbishment	30,218,525
Ndwedwe Reticulation Refurbishment Esidumbini; Mantobelo an	839,169
Ntunjambili Water Supply Scheme	3,959,556
Profesional fees darnal (Makhaotse)	7,589,845
Profesional fees DKG	10,258,746
Profesional fees DNPC consulting	10,849,128
Profesional fees FMA engineers	4,966,119
Profesional fees Zimane consulting	434,474
Pump Station: Pump replacement	3,207,470
Reservoirs: WOSIYANE EXTENSION	11,070,163
Sewer Pipe Replacement - Internal project	41,637
SUNDUMBILI WASTE WATER TREATMENT	6,736,377
Telemetry sytem	1,593,378
Ndulinde Phase 1ML & 3.5ML Reservoir	2,069,810
TS/179/2017	32,534,906
TS/182/2017	38,641,348
TS/201/2019	18,322,662
TS/205/2019 Distribution:Warre	17,230,291
TS/206Distribution:Shakaville	16,062,525
TS/209/2020Pump Station:DARNAL	23,518,969
TS/210/2022	18,902,332
TS/212Water Treatment Works	5,377,094
TS/213Boreholes:COVID19 Spring	15,649,870
TS/217/2021	17,632,551
TS/218/2021	5,114,557
TS/220/2021	17,602,971
TS/222/2021	1,222,356
TS/87/2012 TS/93/TS130	3,325,611
TS/94/2013	22,846,927
Umvoti Electrical supply to water pump stations	674,412
Upgrade of Frasers WWTW	4,995,208
Ward 2 - Ndwedwe Water Scheme Rehabilitation	407,831
Waste Water Treatment Works: Kwadukuza	3,779,564
Waste Water Treatment Works: Lindelani	18,766,899
Wosiyane Water Scheme Rehabilitation	619,362
	461,290,548

Delayed Projects as 30 June 2022:

Telemetry sytem
TS/94/2013
Groutville housing (TS/179, TS/87, TS/93, TS/130)

Asset under Construction Reconciliation:	
Opening Balance at 1 July 2021	455,932,568
Prior period error	(390,501)
Additions	216,542,015
Transferred to completed projects	(210,793,556)
Impairment	-
Closing Balance at 30 June 2022	**461,290,527**

REPAIRS AND MAINTENANCE PER ASSET CLASSIFICATI	**2022**
Intangible Assets	6,198,442
Building	2,401,367
Other Assets	24,744,001
Infrastructure (Water & Sewer)	53,627,396
Total	**86,971,206**

Reconciliation of Carrying Value	**Land**	**Buildings**	**Infrastructure Water & Sewer**	**Computer Equipment**	**Furniture & Office Equipment**	**Machinery & Equipment**	**Transport**	**Total**
	R	R	R		R	R		R
As at 1 July 2020	**3,092,908**	**23,410,327**	**2,547,223,308**	**1,606,103**	**2,550,680**	**2,589,420**	**49,867,952**	**2,630,340,695**
Cost/Revaluation	3,092,908	34,484,212	3,258,282,347	7,080,743	4,519,655	4,114,342	61,195,854	3,372,770,061
Correction of prior year error (note 30) - Cost	-	-	-					-
Correction of prior year error (note 30) - Accumulated depreciation and impairment losses	-	-	(1,354,747)		-			(1,354,747)
Accumulated depreciation and impairment losses		(11,073,885)	(709,704,291)	(5,474,640)	(1,968,975)	(1,524,922)	(11,327,902)	(741,074,616)
Acquisitions	-	-	-	7,552,304	13,660	1,489,450	18,140,005	27,195,419
Capital under Construction	-	-	206,701,550		-	-	-	206,701,550
Depreciation	-	(1,196,891)	(100,855,456)	(1,508,749)	(399,998)	(466,105)	(17,427,451)	(121,854,650)
Carrying value of disposals	-	-	**(5,153,904)**	**(202,814)**	**(22,081)**	**(21,574)**	-	**(5,400,373)**
Cost/Revaluation	-	-	(15,483,401)	(4,196,463)	(123,584)	(236,833)		(20,040,281)
Accumulated depreciation and impairment losses	-	-	10,329,497	3,993,649	101,503	215,259		14,639,908

Impairment loss/Reversal of impairment loss	-	-	(6,673,640)	16,021	2,120	(75,059)		(6,730,558)
Transfers	-	-	238,143,648			-		238,143,648
Transfer from WIP	-	-	(238,143,648)					(238,143,648)
*Other movements - Change in accounting estimates	-	(18,435)	(2,785,759)	(43,224)	(33,291)	(91,195)		(2,971,904)
								-
As at 30 June 2021	**3,092,908**	**22,195,001**	**2,638,456,028**	**7,419,639**	**2,111,090**	**3,424,938**	**50,580,507**	**2,727,280,110**
Cost/Revaluation	3,092,908	34,484,212	3,449,500,205	10,436,583	4,409,732	5,366,959	79,335,859	3,586,626,458
Correction of prior year error (note 31) - Cost								-
Correction of prior year error (note 31) - Accumulated depreciation and impairment losses								-
Accumulated depreciation and impairment losses	-	(12,289,210)	(811,044,177)	(3,016,944)	(2,298,642)	(1,942,021)	(28,755,353)	(859,346,348)

Refer to Appendix B for more detail on property, plant and equipment

Capital Projects - Cancelled/Delays in Construction

Name of the Project

Asset under Construction Reconciliation:	
Opening Balance at 1 July 2020	579,228,587
Prior period error	(89,386,265)
Additions	206,701,550
	696,543,873
Transferred to completed projects	(238,143,648)
Impairment	(2,467,635)
Closing Balance at 30 June 2021	**458,400,224**

REPAIRS AND MAINTENANCE PER ASSET CLASSIFICATI	**2021**
Intangible Assets	6,523,262
Building	439,822
Other Assets	14,762,556
Infrastructure (Water & Sewer)	34,346,292
Total	**56,071,931**

11 HERITAGE ASSETS

11.1 Reconciliation of carrying value

	Mayoral Chain	Total
		R
As at 1 July 2021	**205,578**	**205,578**
Cost	205,578	205,578
Accumulated impairment losses	-	-
For the period ended 30 June 2022	**205,578**	**205,578**
Cost	205,578	205,578
Accumulated impairment losses	-	-

11.2 Reconciliation of carrying value

	Mayoral Chain R	Total R
as at July 2020	**205,578**	**205,578**
Cost	205,578	205,578
Accumulated impairment losses	-	-
as at June 2021	**205,578**	**205,578**
Cost	205,578	205,578
Accumulated impairment losses	-	-

The nature of the heritage asset the municipality has is Mayoral chain.
This asset is not pledge as security for liabilities.

12 INTANGIBLE ASSETS

12 Reconciliation of carrying value	Licenses	Computer Software	Total
		R	R
As at 1 July 2021	**1,612,193**	**4,642,693**	**6,254,887**
Cost	7,216,664	11,168,357	18,385,022
Prior year error (Cost)	-	-	-
Accumulated amortisation and impairment losses	(5,604,471)	(6,525,664)	(12,130,135)
Acquisitions	4,221,303	2,691,507	6,912,810
Other Movements - Change in estimate	(230,464)	(362,096)	(592,560)
Amortisation	(1,300,268)	(778,347)	(2,078,615)
Carrying value of disposals	-	**(1,991,262)**	**(1,991,262)**
Cost	-	(2,441,936)	(2,441,936)
Accumulated amortisation	-	450,675	450,675
For the period ended 30 June 2022	**4,302,765**	**4,202,496**	**8,505,261**
Cost	11,207,504	11,055,832	22,263,336
Accumulated amortisation and impairment losses	(6,904,739)	(6,853,336)	(13,758,075)

12 Reconciliation of carrying value	Licenses	Computer Software	Total
	R	R	R
As at 1 July 2020	**4,329,243**	**(100,141)**	**4,229,101**
Cost	8,896,076	6,513,192	15,409,268
Prior year error (Cost)	-	-	-
Prior year error (Amortization)	-	-	-
Accumulated amortisation and impairment losses	(4,566,834)	(6,613,333)	(11,180,166)
Acquisitions	3,782,106	-	3,782,106
Other Movements	-	-	-
Amortisation	(812,061)	(932,469)	(1,744,531)
Carrying value of disposals	-	**(11,789)**	**(11,789)**
Cost	-	(806,352)	(806,352)
Accumulated amortisation	-	794,563	794,563
Impairment loss/Reversal of impairment loss	-	-	-
Transfers	-	-	-
Other movements	-	-	-
As at 30 June 2021	**7,299,288**	**(1,044,400)**	**6,254,888**
Cost	12,678,182	5,706,840	18,385,022
Accumulated amortisation and impairment losses	(5,378,895)	(6,751,239)	(12,130,134)

	[illegible] 2022 R	[illegible] 2021 R Restated
13 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade creditors	[illegible]	16 344 273
Consumer deposits with Eskom balances	[illegible]	14 951 157
Sanitex Enterprise	[illegible]	1 874 362
Staff leave & Bonus	[illegible]	17 184 921
Outstanding Payments	[illegible]	12 107 950
SD Cheques	36 681	18 681
Creditors Accruals	[illegible]	12 171 179
Other creditors	[illegible]	36 155 998
EMI Cheque	[illegible]	9 774 705
Total creditors	189,267,684	173,546,927
14 CONSUMER DEPOSITS		
Water	[illegible]	[illegible]
Water	[illegible]	[illegible]
	3,815,894	5,729,572
15 TRADE AND OTHER PAYABLES FROM NON EXCHANGE TRANSACTIONS		
Unspent Conditional Grants and Receipts		
Provincial Treasury Establishment	[illegible]	[illegible]
FMG		
EPWP		
Water Services Infrastructure Grant	[illegible]	[illegible]
Municipal disaster relief	[illegible]	
Rural Road Asset Management Systems Grant		
Vaccination Grant	[illegible]	[illegible]
Specialised fire and rescue vehicles	[illegible]	[illegible]
Municipal Infrastructure Grant	[illegible]	
Expanded Public Works Programme	[illegible]	[illegible]
Energy Efficiency and Demand-Side	[illegible]	[illegible]
Development planning & services	[illegible]	
Rehabilitation of Roads	[illegible]	
Sonsombane Water Supply Scheme	[illegible]	
KZN COGTA satellite repairs	[illegible]	
KZN DSAFA spatial development	[illegible]	
Total Unspent Conditional Grants and Receipts	36,731,868	2,218,844
Non-current unspent conditional grants and receipts	[illegible]	[illegible]
Current portion of unspent conditional grants and receipts	36,731,868	2,218,844

See Note 21 for reconciliation of grants and receipts. These amounts are invested in ring fenced bank accounts and utilised

16 BORROWINGS

	[illegible]	[illegible]
Development Bank of South Africa	[illegible]	[illegible]
Loan liability	[illegible]	[illegible]
	31,343,854	33 183 940
Less : Current portion transferred to current liabilities	[illegible]	[illegible]
Development Bank of South Africa	[illegible]	[illegible]
Face liability	[illegible]	
Non current portion of borrowings	23,474,396	27,665,130

Development Bank of South Africa

Loan interest accrues between 9.02% and 11.34% per annum and are repayable [illegible] with the last instalment due on 30 September 2025

17 LEASES

17.1 FINANCE LEASE LIABILITY

For the period ended 30 June 2022	Minimum lease charges R	Future finance charges R	Future other charges R	Present value of minimum lease payments R
Amounts payable under finance leases				
Within one year	18 593 499	682 015	5 455 417	12 456 068
After two to five years	2 538 721	93 524	646 771	1 949 426
	21,132,219	745,539	6,102,188	14,284,493
Less: Amount due for settlement within 12 months (current por	18 593 498 68	682 015	5 455 417	12,456,068
				1,828,426

The finance lease balance is for light vehicles and computers

The lease for computers equipment are utilised in the course of performing the Municipality's powers and functions

Computer equipment leases are for three years. The interest rate charged is linked to the prime rate. The leases are repaid monthly and include maintenance and insurance. At term of the leases the computer equipment revert to the lessor

Vehicle Fleet leases expire on separate dates. The last date being 30 September 2023. The interest rate charged is linked to the prime rate

as at 30 June 2021	Minimum lease payments R	Future finance charges R	Future other charges R	Present value of minimum lease payments R
Amounts payable under finance leases				
Within one year	30 267 439 97	2 509 896	4 947 243	18 710 296
After two to five years	21 132 219 49	745 539	6 102 188	14 284 493
	51 399 659	3 255 435	11 049 431	32 994 791
Less: Amount due for settlement within 12 months (current por	30 267 439 97			18 710 296
				14,284,493

17.2 OPERATING LEASES

Operating Lease as Lessee

At the reporting date the municipality has outstanding commitments under operating leases which fall due as follows

	[illegible]	[illegible]
Within one year	2 416 429	1 712 146
In the second to fifth year inclusive	5 699 736	127 340
After five years		
Total	8,616,565	2,360,187

At the reporting date the municipality had outstanding commitments under operating leases which fall due as follows

The lease for heavy duty licenses negotiated for 36 months ranging from 01 April 2021 to 31 March 2024. The rentals escalation is 10% on the Annual Anniversary of the contract

The personal contract was negotiated for a period of 36 months ranging from 1 June 2022 to 31 May 2025 for the photocopiers/printers/scanners machines. The rentals escalation is 12% effective on the Annual Anniversary of the contract

[illegible] SERVICE CHARGES

	[illegible]	[illegible]
Sale of water	210 527 481	190 697 144
Sewerage and sanitation charges	67 364 957	52 245 963
COVID 19 - Revenue Forgone	[illegible]	1 733 142
Revenue Foregone	2 815 997	1 269 362
Total Service Charges	274,781,735	240,945,647

Sale of water is broken down into domestic sales and commercial meters water sales

18.1 Sale of Water

	[illegible]	[illegible]
Prepaid water sales	6 376 218	11 602 [illegible]
Conventional meters water sales	204 151 263	179 094 962
	210 527 481	190 697 184
Revenue Foregone	12 248 6555	1 435 794
Total Water Sales	206,278,827	189,261 479

18.2 Sanitation charges

	[illegible]	[illegible]
Sewerage and sanitation charges	67 364 957	52 245 963
Revenue Foregone	[illegible]	[illegible]
	66 463 428	51 664 183

		DC29 2022 R	DC29 2021 R
19	INTEREST EARNED - BANK BALANCES		
	Interest on Bank Accounts	2 [illegible]	[illegible]
	Short Term Investments and Call Accounts	9 [illegible]	7 [illegible]
		11 946 665	8 384 060
20	INTEREST EARNED - OUTSTANDING RECEIVABLES		
	Interest on debtors	23 148 689	41 232 000
21	GOVERNMENT GRANTS AND SUBSIDIES		
	Operational Grants		
	Equitable Share	600 260 000	533 119 000
	FMG	14 565 438	16 661 496
	Municipal Infrastructure Grant	29 652 619	21 316 999
	Other Government Grants and Subsidies	17 173 619	18 657 169
	Capital Grants		
	MIG	43 444 564	48 535 974
	Municipal Infrastructure Grant	137 456 181	82 751 513
	Other Government Grants and Subsidies	9 441 334	6 796 440
	Total Government Grant and Subsidies	882,321,963	933,331,661
21.1	Equitable Share		
	Balance unspent at beginning of year	-	-
	Current year receipts	600 260 000	533 119 000
	Conditions met - transferred to revenue	(600 260 000)	(533 119 000)
		-	-
21.2	Water Infrastructure Grant		
	Balance unspent at beginning of year	-	74 972 511
	Current year receipts	217 104 000	198 946 000
	Conditions met - transferred to revenue - CAPEX	29 652 619	21 316 999
	Conditions met - transferred to revenue - OPEX	187 456 181	82 751 513
	Adjustments and Transfers	-	-
	Conditions still to be met	-	-
21.3	REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)		
	Balance unspent at beginning of year	-	6 795 440
	Current year receipts		
	Conditions met - transferred to revenue		6 795 440
	Adjustments and Transfers		
	Conditions Met	0	0
21.4	RURAL TRANSPORT SERVICE		
	Balance unspent at beginning of year		153 719
	Current year receipts	2 321 000	2 291 000
	Conditions met - transferred to revenue	(2 321 000)	(2 291 000)
	Adjustments and Transfers	-	(153 719)
	Conditions still to be met	-	-
21.5	WATER SERVICES INFRASTRUCTURE GRANT		
	Balance unspent at beginning of year	-	9 898 561
	Current year receipts	55 000 000	65 000 000
	Conditions met - transferred to revenue - CAPEX	(14 565 638)	(74 898 561)
	Conditions met - transferred to revenue - OPEX	(40 434 362)	
	Adjustments and Transfers		
	Conditions still to be met	0	0
21.6	PROVINCIAL TOWNSHIP ESTABLISHMENT		
	Balance unspent at beginning of year	1 844 395	1 133 584
	Current year receipts		[illegible]
	Conditions met - transferred to revenue		
	Adjustments and Transfers		
	Conditions still to be met - remain in liabilities (see note 15)	1 844 395	1 844 395
21.7	ENERGY EFFICIENCY AND DEMAND-SIDE		
	Balance unspent at beginning of year	972 287	1 364 134
	Current year receipts	1 200 000	700 000
	Conditions met - transferred to revenue	(994 [illegible])	(2 867 847)
	Adjustments and Transfers	(972 [illegible])	(508 000)
	Conditions still to be met - remain in liabilities (see note 15)	5 [illegible]	972,287.33
21.8	FINANCIAL MANAGEMENT GRANT		
	Balance unspent at beginning of year	-	1 000 000
	Current year receipts	1 000 000	1 000 000
	Conditions met - transferred to revenue	(1 000 000)	(2 000 000)
	Adjustments and Transfers		
	Conditions still to be met	-	-
21.9	EXPANDED PUBLIC WORKS PROGRAMME		
	Balance unspent at beginning of year	-	-
	Current year receipts	8 363 000	8 746 000
	Conditions met - transferred to revenue	(8 363 000)	(8 746 000)
	Adjustments and Transfers		
	Conditions met	-	-
21.10	DEVELOPMENT PLANNING & SERVICES		
	Balance unspent at beginning of year	[illegible]	[illegible]
	Current year receipts		[illegible]
	Conditions met - transferred to revenue		
	Adjustments and Transfers		
	Conditions met	[illegible]	[illegible]
21.11	KZN COGTA SPATIAL DEVELOPMENT		
	Balance unspent at beginning of year		[illegible]
	Current year receipts		
	Conditions met - transferred to revenue		[illegible]
	Adjustments and Transfers		
	Conditions met	-	-
21.12	KZN COGTA SATELLITE IMAGERY		
	Balance unspent at beginning of year		[illegible]
	Current year receipts		
	Conditions met - transferred to revenue		[illegible]
	Adjustments and Transfers		
	Conditions met	-	-
21.13	SPECIALISED FIRE AND RESCUE VEHICLE		
	Balance unspent at beginning of year	[illegible]	[illegible]
	Current year receipts		
	Conditions met - transferred to revenue		[illegible]
	Adjustments and Transfers	[illegible]	
	Conditions still to be met - remain in liabilities (see note 15)	[illegible]	[illegible]
21.14	MUNICIPAL DISASTER RELIEF - COVID 19		
	Balance unspent at beginning of year	-	[illegible]
	Current year receipts	[illegible]	
	Conditions met - transferred to revenue		
	Adjustments and Transfers		[illegible]
	Conditions still to be met - remain in liabilities (see note 15)	[illegible]	0

	2022 R	2021 R
21.15 REHABILITATION OF AMATIKULU DAM & SIBUMBENI DAM		
Balance unspent at beginning of year		
Current year receipts	2 790 000	
Conditions met - transferred to revenue		
Adjustments and Transfers		
Conditions still to be met - remain in liabilities (see note 19)	2 790 000	
21.16 SOKESIMBONE WATER SUPPLY SCHEME		
Balance unspent at beginning of year		
Current year receipts	22 300 000	
Conditions met - transferred to revenue	4 843 333	
Adjustments and Transfers		
Conditions still to be met - remain in liabilities (see note 19)	17 456 667	
21.17 LG SETA		
Balance unspent at beginning of year	433 144	299 427
Current year receipts	433 144	299 427
Conditions met - transferred to revenue		
Adjustments and Transfers		
Conditions still to be met - remain in liabilities (see note 19)		
22 OPERATIONAL REVENUE		
Tender Documents	223 174	99 150
Clearance certificates	1 349 441	1 809 150
Shared Service	5 178 922	1 965 150
Construction Contract	1 992 748	
Development Charges	4 534 294	
Bad debt Recovered Commission Administrative Cash Handling	309 541	235 937
	15 865 870	5 806 781
23 AGENCY SERVICES		
Sita Water Conversion	2 010 661	1 635 679
	2 010 661	1 635 679
24 FINES & PENALTIES		
Illegal Connections	74 315	53 167
Water Tampering	4 549	
Disconnection's	83 964	53 167
25 LICENCES & PERMITS		
Atmospheric Emission	30 000	
Licences and Permits	3 854	1 355
	33 854	1 355
26 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	96 661 990	87 475 751
Employee related costs - Contributions for UIF, pensions and medical aids	14 351 377	12 892 199
Travel - motor car accomodation subsistence and other allowances	5 834 318	5 026 810
Housing benefits and allowances	710 704	697 926
Overtime payments	1 861 572	3 221 126
Performance and other bonuses	11 537 251	11 370 455
Long-service awards	1 111 671	2 048 186
Telephone Allowance	1 525 450	1 469 854
Payments in lieu of leave	77 764	3 562 940
Non-Pensionable Allowance	1 80 68	1 463 460
Other employee related costs	10 783 843	17 943 333
Employee Related Costs	234 983 603	227 196 645
There were no advance to employees		
26.1		
Senior Managers	6 488 778	5 319 777
Municipal Staff	228 215 325	222 956 872
Total	234 983 603	227 196 645
Remuneration of the Municipal Manager		
Basic Salary	1 373 268	1 194 554
Bonus Provision	76 940	76 940
Service-Related Benefits		
Allowances	58 271	179 215
Bargaining Council	124	119
Group Life Insurance		
Pension	83 326	83 326
Post-Retirement Benefit Medical		
Post-Retirement Benefit Pension		
Post-Retirement Benefit Other Benefits		
Unemployment Insurance	1 125	1 613
Less: Costs Capitalised		
Total	2 386 855	1 864 847
Remuneration of the Chief Financial Officer		
Basic Salary	1 180 781	1 030 281
Bonus Provision	99 413	85 494
Service-Related Benefits		
Allowances	81 304	120 152
Bargaining Council	124	119
Group Life Insurance		
Pension		
Post-Retirement Benefit Medical		
Post-Retirement Benefit Pension		
Post-Retirement Benefit Other Benefits		
Unemployment Insurance	1 125	1 613
Less: Costs Capitalised		
Total	1 181 295	1 269 771

Remuneration of Individual Senior Managers	TOTAL	Technical Services R	Corporate Services R	Community Service R
For the period ended 30 June 2022				
Basic Salary	2 256 253	774 823	656 431	821 999
Bonus Provision	165 837	68 632	48 632	48 632
Service-Related Benefits				
Allowances	827 547	148 253	161 606	37 178
Bargaining Council	171	124	124	124
Group Life Insurance				
Pension	762 664	63 145	63 164	
Post-Retirement Benefit Medical				
Post-Retirement Benefit Pension				
Post-Retirement Benefit Other Benefits				
Unemployment Insurance	3 125	2 125	2 125	2 125
Less: Costs Capitalised				
Total	3 996 927.6	1 342 662	986 297	970 059

Senior Manager Corporate Services is currently suspended. The Municipality has appointed internal incumbent to act in this post

Senior Manager Community Services has resigned with effect from the past twenty year. The Municipality has appointed internal incumbent to act in this post

			2022	2021
	R	R	R	R
June 2021				
Basic Salary	1 518 [illegible]	[illegible]	[illegible] 379	740 540
Bonus	[illegible]	[illegible]	[illegible]	68 632
Service-related benefits			-	
Allowances	964 [illegible]	[illegible]	[illegible] 027	95 300
Contributions [illegible]	[illegible]	[illegible]	[illegible]	79
Group Life Insurance			-	
Pension	180 [illegible]	[illegible]	[illegible] 046	
Post Retirement Benefit Medical				
Post Retirement Benefit Pension				
Post Retirement Benefit Other benefits			-	
Unemployment Insurance	[illegible]	[illegible]	[illegible]	[illegible]
Leave Costs Capitalised			-	
Total	2 667 963 8	534 957	1 857 218	875 787

27 REMUNERATION OF COUNCILLORS

Mayor	1 053 743	1 036 [illegible]
Deputy Mayor	673 136	678 397
Speaker	739 649	565 [illegible]
Chief Whip	297 305	
Executive Committee	1 982 627	2 161 565
All Other Councillors	1 [illegible] 550	1 [illegible] 442
Total	6 841 870	6 931 386

27 1 MAYOR

Allowances and Service Related Benefits		
Basic Salary	647 [illegible]	732 [illegible]
Cellphone Allowance	[illegible] 423	40 800
Market Related Non Pensionable Allowance	319 761	314 [illegible]
Travelling Allowance	-	
Use of Personal Facilities	-	
Social Contributions	-	
Medical Aid Benefits	-	
Pension Fund Contributions	[illegible] 8	
Total	1 053,743	1 087,797

27 2 DEPUTY MAYOR

Allowances and Service Related Benefits		
Basic Salary	[illegible] 336	628 [illegible] 46
Cellphone Allowance	[illegible] 800	40 800
Housing Allowance	-	
In-kind Benefits	-	
Market Related Non Pensionable Allowance	[illegible] 568	28 [illegible] 76
Motor Vehicle Allowance	-	
Office-bearer Allowance	-	
Out of pocket Expenses	-	
Travelling Allowance	96 [illegible] 76	180 [illegible] 29
Use of Personal Facilities	-	
Social Contributions	-	
Medical Aid Benefits	-	
Pension Fund Contributions	[illegible] 527	-
Total	873,106	878,797

27 3 SPEAKER

Allowances and Service Related Benefits		
Basic Salary	586 836	[illegible] 87
Cellphone Allowance	[illegible] 800	
Housing Allowance	-	
In-kind Benefits	-	
Market Related Non-Pensionable Allowance	[illegible] 108	
Motor Vehicle Allowance	-	
Office-bearer Allowance	-	
Out of pocket Expenses	-	
Travelling Allowance	[illegible] 705	
Use of Personal Facilities	-	
Social Contributions		
Medical Aid Benefits	-	
Pension Fund Contributions	-	-
Total	739,649	565,187

27 4 Chief Whip

Allowances and Service Related Benefits		
Basic Salary	[illegible] [illegible]	
Cellphone Allowance	[illegible] 800	
Housing Allowance	-	
In-kind Benefits	-	
Market Related Non-Pensionable Allowance	[illegible] 726	
Motor Vehicle Allowance	-	
Office-bearer Allowance	-	
Out of pocket Expenses	-	
Travelling Allowance	[illegible] 434	
Use of Personal Facilities	-	
Social Contributions		
Medical Aid Benefits	-	
Pension Fund Contributions	[illegible] 012	
Total	297,305	-

27 5 EXECUTIVE COMMITTEE

Allowances and Service Related Benefits		
Basic Salary	1 [illegible] 226 13	1 [illegible] 563 69
Cellphone Allowance	[illegible] 839 28	[illegible] 000 00
Housing Allowance	-	
In-kind Benefits	-	
Market Related Non-Pensionable Allowance	237 726 27	264 796 50
Motor Vehicle Allowance	-	
Office-bearer Allowance	-	
Out of pocket Expenses	-	
Travelling Allowance	[illegible] 902 37	233 725 00
Use of Personal Facilities	-	
Social Contributions	-	
Medical Aid Benefits	-	
Pension Fund Contributions	[illegible] 132 54	[illegible] 503 55
Total	[illegible] 826 61	[illegible] 386 74

27 6 ALL OTHER COUNCILLORS

Allowances and Service Related Benefits		
Basic Salary	2 [illegible] 731 70	2 653 402 86
Cellphone Allowance	[illegible] 412 26	326 400 00
Housing Allowance	-	
In-kind Benefits	-	
Market Related Non-Pensionable Allowance	541 364 38	511 994 60
Motor Vehicle Allowance	-	
Office-bearer Allowance	-	
Out of pocket Expenses	-	
Travelling Allowance	295 734 37	579 [illegible] 44
Use of Personal Facilities	-	
Social Contributions	-	
Medical Aid Benefits	-	
Pension Fund Contributions	[illegible] 691 24	[illegible] 799 74
Total	[illegible] 956 55	[illegible] 476 64

The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor, Deputy Mayor and Speaker have use of the Council motor vehicles for official duties. The Mayor has 2 full-time Protectors and 1 driver. Deputy Mayor has 2 full-time bodyguards and Speaker has 1 full-time Protector and 1 full-time driver.

	2022 R	2021 R
28 DEPRECIATION, IMPAIRMENT AND AMORTISATION EXPENSE		
Depreciation	130 121 560	126 861 414
Impairment / Asset Write-off	3 353 819	4 262 727
Intangible assets Amortisation	2 671 175	1 746 538
Total Depreciation, Impairment and Amortisation	136,146,554	134,871,679
The above entries under Property, Plant and Equipment were derived through verification and impairment assessment exercises		
29 FINANCE COSTS		
Borrowings	2 858 720	3 745 422
Leases	2 535 699	2 111 200
Interest on Discounting of Provisions/Employee Benefits	3 158 561	
Total Finance Costs	8,552,980	5,857,622
30 INVENTORY CONSUMED		
COVID 19 water bulk purchase		12 423 800
Bulk purchase - Water	-	216 150 634
Total Bulk Purchases	-	228,573,434
INVENTORY CONSUMED		
Water Issues	142 349 660	
Buildings Repairs	2 926	6 472
Electrical appliances consumables	1 950	1 118
COVID 19 RETICULATION MAINTENANCE		665 564
Repairs Bulk Main - Material - Z2294	442 274	455 337
Repairs Bulk Main - Material - Z2297	5 530 413	3 745 838
Reticulation Repairs Bulk Main - Material - Z2296	1 167 364	1 309 356
Reticulation Repairs Bulk Main - Material - Z2295	1 647 274	776 572
NEW SEWER RETICULATION REPAIRS - Material - Z2297	75 111	17 168
SEWER RETICULATION REPAIRS - Material - Z2296	782 501	195 636
CHEMICALS - Material	4 202 171	1 842 939
	295,530,898	3,992,597
	295,530,898	236,475,941
31 CONTRACTED SERVICES		
Contracted services for		
Plant Hire	1 108 124	2 378 634
COVID 19 WATER TANKER HIRE		13 415 483
COVID 19 Interns	31 443	416 570
Security	35 742 189	33 490 091
Caravans system Assist		250 000
District Satellite Map		469 568
WP Toilets Expenditure - Operational	17 394 838	16 775 651
Rural Roads Assets Systems Management Grant (RRAMS) Expenditure	2 318 241	2 332 345
Service advisor - LGSETA	1 702	43 474
Analysis of water and effluent	2 240 425	5 618 395
Eedsm implementation - retrofit contractor		499 795
EEDSM SUPPLEMENTATION - SOLAR PV PROJECT	665 322	
Thermal bulk	230 397	99 806
Hygiene services	351 331	264 377
Cleaning services	970 350	241 046
Risk management awareness	-	
Consumer data analytics	249 000	486 817
Disciplinary Board Committee	17 896	
LM Support	6 087	
MSCOA CONSULTING FEES		314 000
Youth Programme	489 399	410 795
EAP Staff Awards Sound	2 000	2 560
EAP EVENTS - SOUND	4 790	
EAP Counselling Referrals - Psychologist	-	1 425
Audit Committee	180 293	206 771
Payroll Support	22 483	24 646
consulting - asset management	569 767	128 781
Ukhamba consulting fees	555 390	257 725
Risk management committee	-	9 640
Medical exams	2 340	1 680
Implementation of an automated supplier invoice workflow	99 986	99 986
Employee vaccine & surveillance	107 622	39 200
Water conservation demand	9 735 525	23 009 988
Ad hoc investigations	64 349	
EEDSM IMPLEMENTATION - Clean Energy Technologies	-	1 583 850
Spatial Dev Framework	250	525 717
Cloud Services	62 530	72 238
Legal Fees	399 443	1 311 199
Vehicle fire extinguishers	6 700	
Cleaning Services	655 272	275 655
Ladysmith Soccer Tournament - Medical services	5 730	
METER READING CONTRACTORS	5 719 976	200 280
CONVENTIONAL METERS	664 344	
New Meter Connection		1 213 387
AIR QUALITY MANAGEMENT PLAN		367 304
SAGE VIP license SLA	41 999	138 317
COVID 19 ELECTRICAL REPAIRS		1 541 905
Repairs and Maintenance Contracted	38 367 222	39 443 509
	170,984,081	184,863,413
32 TRANSFERS AND SUBSIDIES		
Allocations in kind - Social Assistance		
Social Relief Act	1 596	
Specialised Free Services	8 596	1 738 479
		1,738,479
Local Economic Development Projects (Entity Partners)		
LED Projects	2 841 691	2 654 395
Development of SMMEs	2 975 602	2 571 812
Enterprise Ilembe grant	29 394 967	27 881 679
Tourism	1 704 361	2 923 731
	35 461 820	35 367 211
	35,465,416	37,105,690
The Municipality have donated specialised services to various Local Municipality		
33 OPERATIONAL COSTS		
- Included in general expenses are the following -		
Advertising	1 443 287	805 650
Audit fees	3 885 598	3 690 257
Bank charges	587 483	479 670
Bursaries	10 653	5 441
Fuel and oil	18 745 626	16 040 834
Insurance	3 215 854	4 174 381
Licence fees - vehicles	387 577	253 177
Membership fees	3 031 214	2 697 236
Postage	1 746 634	1 269 270
Printing and stationery	235 548	209 580
Disaster Management	154 476	263 521
Property rates	833 250	427 340
Telephone cost	874 290	181 173
Training	1 653 774	424 976
Travel and subsistence	2 666 237	2 178 235
Uniforms & overalls	298 548	2 642 079
COVID 19 Protective Clothing	-	54 219
COVID - 19 UNIFORMS	-	1 912
Uthukela Water Contribution	5 288 418	
Umzinyathi Phase 5 Bulk Water Supply	9 389 748	
Water and Sanitation - Sisa Water Concession fees	6 214 566	6 484 443
Electricity & Water	61 805 611	56 510 635
Operational Cost Repairs and Maintenance	9 602 372	9 630 381
Vehicle Hire	1 147 736	1 282 179
Other	12 566 538	12 964 501
	133,815,347	100 789 000

	2022 R	2021 R
15 Repairs and Maintenance		
Factors affecting R & M (not to be published)		
Operational Costs	5 912 370	15 347 [illegible]
Inventory Consumed	4 401 613	
Contracted Services	59 967 322	43 354 314
Total Expenditure on Repairs and Maintenance	66 871 295	58 871 931
16 Fair value adjustments (Losses) CUC	(17 483 136)	
refer to note 46 for further details	(17,483,136)	
17 Gain/(Loss) on sale of assets		
Intangible Assets Losses	[illegible]	[illegible]
Computer Equipment Losses	[illegible]	[illegible]
Computer Equipment Losses	[illegible]	30 568
Computer Equipment Losses	[illegible]	19 353
Furniture and Office Equipment Losses	[illegible]	21 574
Machinery and Equipment Losses	[illegible]	1 799 437
Sewage Infrastructure Losses	[illegible]	
Transport Assets Gains	[illegible]	
Transport Assets Losses	[illegible]	
Water Supply Infrastructure Losses	[illegible]	
Water Supply Infrastructure Losses	[illegible]	
Total Gain/(Loss) on sale of assets	[illegible]	[illegible]

37 CORRECTION OF PRIOR YEAR ERRORS CHANGE IN ACCOUNTING POLICY AND ADJUSTMENTS

37.1 Prior Period Correction of Errors	[illegible]
FairValue adjustment on CUC	25 396 819
37.2	
Property, plant and equipment	[illegible]
Trade and other Receivables from exchange transactions	[illegible]
VAT adjustment	[illegible]
Accrued Interest	[illegible]
Trade and other receivables	[illegible]
Reversal of prior year transactions	[illegible]
Other	[illegible]
Trade and other Payables	[illegible]
Reversal of prior year transactions	[illegible]
Correction of error	[illegible]
Other	[illegible]
Financial liability	[illegible]
Adjustments in prior year Fair value CUC	[illegible]
Other	[illegible]
	(8 329 123)

38.2 CASH FLOW STATEMENT

	Amounts as previously reported	Correction	
NET CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services	783 345 970	48 81[illegible] 50[illegible]	[illegible]
Grants	995 752 000	(1 358 294	994 693 710
Other income	88 496 946	(39 326 653)	49 170 293
Payments			
Employee costs	231 632 038	4 713 279	236 345 317
Suppliers	616 994 373	74 846 288	912 138 065
Interest paid	(8 083 136)	233 514	5 857 6221
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of fixed assets (PPE)	(314 992 190)	80 495 22[illegible]	233 896 369)
Proceeds from sale of fixed assets		(1 570 221)	1 570 221
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Umgeni Water CUC Debt	(7 070 400)	(7 123 866)	(5 946 534)
Repayment of finance lease liability	(14 301 621)	(3 646 629)	(10 665 013)

46 RECLASSIFICATIONS

iLembe enterprise prior year balance classified under receivables has been reclassified as Other Receivables from Exchange Transactions	
Sundry Enterprise	1 392 [illegible]
CURRENT ASSET	
Value Added Tax have been reclassified from trade receivables to tax line items	25 632 361
REVENUE	
Revenue from non exchange transaction	
Licences and Permits disclosed separately from Fines and Penalties	
	2021
Fines and Penalties	55 [illegible]
	2021
Fines and Penalties	53 767
Licences Or Permits	1 355
Revenue from exchange transactions	
Service charges from water and waste water management disclosed separately	
	2021
Service charges	[illegible] 42 345 662
	2021
Services charges Water	189 281 474
Services charges Sanitation	51 969 153
REVENUE - Operational Revenue	
Agency services disclosed separate from other income	
Other income have been renamed as operational revenue	
	2021
Other income	5 243 607
	2021
Operational revenue	5 608 701
Agency services	1 335 879
Rental from operational revenue [illegible] and [illegible]	294 427
[illegible]	

	4DM 2022 R	4DM 2021 R

EXPENDITURE
Expenditure reclassified from general expenditure to transfers and subsidies

	2021
General expenses	151 775 277

	2021
General expenditure is increased as follows:	14 535 559
Enterprise Lembe Grant	27 991 673
Development of SMMEs	1 571 612
Tourism KZN3122750	2 023 731
LED projects	2 884 995
Sport about Fire where	1 736 176

	2021
Reclassification from Operational Cost to Inventory Consumed	
Buildings Repairs	6 879
Electrical appliances consumables	3 113
COVID 19 RETICULATION MAINTENANCE	665 544
Repairs Sub Main - Material KZ24	655 117
Repairs Sub Main - Material KZ92	3 145 638
Reticulation Repairs Sub Main - Material KZ23	1 209 356
Reticulation Repairs Sub Main - Material KZ93	774 572
SEWER RETICULATION REPAIRS - Material KZ24	11 568
SEWER RETICULATION REPAIRS - Material KZ92	185 634
CHEMICALS: 130/1207901	1 442 954

Cashflow Statement
Reclassification: VAT refund from overdue accounts to operational activities - 48 494 346

TRADE AND OTHER CREDITORS
Reclassified from trade and other creditor to its own line item as consumer deposits

	2021
Trade and other payables from exchange transactions	181 995 695

	2021
Consumer Deposits	
Water	5 607 382
Sewer	121 308

Bulk purchases reclassified to Inventory Consumables
Water purchase 246 573 434

Doubtful Debts reclassified as Debt Impairment

39 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	172 342 306	214 232 022
Adjustment for -		
Depreciation and amortisation	136 146 555	133 301 643
FV Adjustment on Financial Liabilities	17 453 136	-
Fores gain/loss	-	-
Loss on disposal of PPE	5 746 631	3 841 341
Contribution to provisions - non-current	-	-
Contribution to provisions - current	1 11 1 979	2 671 842
Operations surplus before working capital changes	331 658 291	351 847 248
Increase/decrease) in inventories	(843 698)	(355 325)
Increase/decrease) in trade receivables	(52 538 843)	17 457 387
Increase in conditional grants and receipts	14 515 224	(38 817 725)
(Decrease) Increase in trade payables	(2 299 843)	75 899 926
Consumer Deposits	185 422	5 729 972
VAT receivable	10 313 759	(76 428 279)
Increase/decrease) in long term recievables	(170 255)	(172 235)
Cash generated/(utilised) in operations	296 668 948	230 441 813

	2022 R	2021 R
40 Deviations		
Deviations were approved in terms of section 36 of the Supply Chain Management Policy		
Total value	5 119 138	5 006 980
	5 119 138	5 006 980

41 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

41.1 Contributions to organised local government

Opening balance	-	-
Council subscriptions	2 600 516	2 600 516
Amount paid - current	2 600 516)	(2 600 516)
Adjustment	-	-
Balance unpaid (included in payables)	-	-

41.2 Audit fees

Current year subscription	3 585 529	3 580 257
Amount paid - current year	(3 585 529)	(3 580 257)
Balance unpaid (included in payables)	-	-

41.3 VAT

VAT input receivables and VAT output payables are shown in note 7. All VAT returns have been submitted by the due date throughout the year

41.4 PAYE and UIF

Opening balance	3 118 108	1 297 361
Current year payroll deductions	40 028 772	37 648 738
Amount paid - current year	(36 525 460)	(34 527 599)
Amount paid - previous years	(3 118 105)	(1 297 361)
Balance unpaid (included in payables)	3 283 314	3 118 108

The balance represents PAYE and UIF deducted in June 2022 paid 8. This amount was paid in July 2022

41.5 Pension and Medical Aid Deductions

Opening balance	2 540 114	2 541 736
Current year payroll deductions and Council Contributions	53 777 703	51 387 690
Amount paid - current year	51 375 579)	(48 847 380)
Amount paid - previous years	(2 540 114)	(2 541 736)
Balance unpaid (included in payables)	2 402 124	2 540 114

The balance represents Pension & Medical aid deductions June 2022 payroll These amounts are paid 7 July 2022 except for Medical Aid and RA were paid in the month of deduction which is June 2022

41.6 Councillors in arrear consumer accounts

Councillor Ngidi TS	-	589
Councillor Schutt R	-	10 179
Councillor NGCOBO CM	8 393	
Councillor Van Rhyn GJ	477	
Councillor MS Sangh	-	2 934
Councillor P Dube	-	302
Councillor Zulu SG	-	525
Councillor Tembe MM	-	5 752
Councillor Ndlovu ZP	5 367	
Councillor Cele SSPP	2 605	
Total Councillor Arrear Consumer Accounts	27 249	21 666

		2022 R	2021 R
42	Material losses		
42.1	Asset impairment (Restated Reported)	(3 352 870)	6 736 558

The current year impairment is a result of adopting a provision for the write off of debt in the annual financial statements

42.2	Debt impairment (Restated)	72 708 260	27 979 873

The recognised debt impairment and loss is as a result of the

Although the revenue collection rate slightly improved compared to the prior year due to the implementation of debt collection and credit control measures, the debtors balance increased by 10% and the debtors' days increased from 41 days to 43 days. The increase in debtors' days is as a result of the increase in the debtors balance and the increase in the debt impairment provision. The debtors' days is calculated by dividing the net debtors balance by the billed revenue and multiplying by 365 days. The debtors' days is calculated by dividing the net debtors balance by the billed revenue and multiplying by 365 days.

The recovery rate has been affected by the COVID-19 which resulted in increased unemployment, the inability of the municipality to collect debts from consumers and the inability of the municipality to collect debts from consumers.

42.3

Debtor Age Analysis	Percentage distribution		
Debtor Age Analysis			
Undefined (Residential)	5%	1 273 757	2 204 781
Social connections and other	26%	6 119 709	4 937 212
Main users	1%	245 627	1 322 964
Rebates and other	7%	1 714 537	2 204 781
Recovery and collection	18%	4 263 327	3 964 679
Service connection debt	100%	15 937 867	17 638 348
Debt age analysis			
Debt age analysis		92 580 784	82 259 460
Debt age analysis		16 803 841	11 770 504
Debt age analysis		16 [illegible]	14 [illegible]

The debtor age analysis is mainly due to illegal connections, poor debt collection, [illegible] and [illegible] charge. A master plan for the reduction of non-revenue water has been adopted by the municipality to address the problem.

43 Non-Compliance with Section 65 (2) of the Municipal Finance Management Act (Payments of creditors within 30 days from date of receipt

	2021/22	2020/21
Number of days unpaid creditors at 30 June	34 days	43 days
Average number of days unpaid creditors during the year	27 days	28 days
Value of creditors not paid within 30 days during the year	[illegible]	[illegible]
Percentage of creditors paid within 30 days	N/A	N/A

There has been a significant improvement in the efficiency of paying creditors in some areas compared to the previous two years. On average it took 34 days to pay creditor invoices during 2022/21 financial year compared to 43 days in 2021/20 financial year in terms of the number of days calculated at year end. 61 days was reported at 30 June 2021 compared to 34 days in June 2020.

Whilst there has been a significant improvement in the efficiency with regards to payment of creditor invoices, there are still isolated cases where some supplier invoices are not paid within 30 days. This is mainly due to the lack of an effective control mechanism with regards to the flow of invoices between Finance Department and various User Departments. As reported previously, Finance Department is working with Corporate Services Department to implement the Automated Supplier Invoice Tracking and Approval System with a view of streamlining the flow of invoices and thereby improving efficiency in terms of paying suppliers. The solution has now been deployed and is currently undergoing testing phase and the users are being trained on how to use the solution.

The underlying objective of the solution is to automate the flow of invoices and associated documentation through the various stages of the workflow process and thereby enabling the strategic objective of maximising cash flow management.

		2022 R	2021 R
44	Foreign creditors		
	Gross Forex Liability as at 30 June	1 678 722 [illegible]	
	Forex Gain/(Losses)	(635 286)	37 [illegible]

The Spot rate at 30 June 2022 was 16.23. Should the spot rate increase by 1% the foreign liability will be R3 715 504.38 and the foreign loss will increase to R 641 639.15. Should the spot rate decrease by 1%, the Forex liability will be R 3 641 [illegible] and the Forex loss will decrease to R 628 933.42

Foreign Liability increase: R 1 678 722 [illegible] = R3 710 859.22

Foreign loss increase: R 635 286 29 [illegible] = R641 639

FOREIGN EXCHANGE FLUCTUATIONS

This relates to the recognition of gains realised from or losses incurred in foreign exchange transactions as a result of currency fluctuations over the duration of the agreement. Gains realised had a favorable impact on the reduced Forex Liability whilst losses incurred increases Forex Liability.

FOREIGN EXCHANGE GAINS	FOREIGN EXCHANGE LOSSES	NET GAIN / (LOSS)
472 [illegible]	(1 [illegible])	(635,286)

45 FREE BASIC SERVICES SIZA WATER - DISCLOSURE NOTE

Expenditure incurred during the financial year under review	-	6 301 330
Less Credit Adjustments passed by Siza Water	-	(4 [illegible])
Siza Water has a 30 year Concession Agreement with the Municipality and in terms of this agreement Siza Water the Concessionaire is responsible for rendering services on behalf of the Municipality within the Concession Area. Forming part of the principal services that the Concessionaire is responsible for is the provision of water within the Concession Area. As a Water Service Provider within the Concession Area, Siza Water has an agreement with Umgeni Water for the supply of bulk water. There has been a matter of dispute on the tariff which Umgeni Water should charge Siza Water for the bulk water purchased. The matter went through all the requisite dispute resolution processes and it was escalated to the court of law. After a number of years of the dispute in question, the court ruled in favour of Siza Water. Umgeni Water had therefore to refund to Siza Water what was considered to have been an overcharge due to the incorrect tariff having been applied by Umgeni. A total during the period under consideration. As per the Concession Agreement, the Municipality is responsible to pay on to Siza Water on a monthly basis the free basic component of the equitable share based on the number of qualifying indigents within the Concession Area. The amounts charged by Siza Water in this regard are determined in line with the prevailing Umgeni Water tariff of charges. A net this effectively means is that during the period of dispute, the Municipality would have been charged based on tariff higher than what it should have been. This therefore resulted in Siza Water refunding the Municipality the amount by which the Municipality had been overcharged. This credit adjustment was processed directly against the related expenditure and thereby reducing the expenditure incurred to the net amount as disclosed		
Net Expenditure Disclosed in the Annual Financial Statements	-	1,587,987

		IDM 2022 R	IDM 2021 R
46	UMGENI CAPITAL UNIT CHARGE		
	Capital Unit Charge		
	Opening Balance	49 290 293	51 [illegible] 293
	Deposit	37 648 214	
	Payments	7 624 082)	(1 [illegible] 000)
	Transferred to current portion	(9 168 076)	(9 [illegible] 000)
	Other adjustments	(95 182 525)	71 957 970
	Long Term Portion	0	39 [illegible] 293
	LESS		
	Current portion transferred to current liabilities	29 168 076	9 [illegible] 000
	Adjustments on current portion	(9 168 076)	(324 523 [illegible]
			[illegible]
	Total Capital Unit Charge	29 168 076	49 290 293

Payments made during the year

2022	5 982 646	7 620 082
June		543 877
July	543 877	543 877
August	543 877	543 877
September	543 877	543 877
October	543 877	543 877
November	543 877	543 877
December	541 477	543 877
January	541 477	543 877
February	543 877	543 877
March	543 877	543 877
April	543 877	543 877
May	543 877	543 877
June		543 877

LONG TERM CREDITOR UMGENI WATER (SPRING GROVE DAM CAPITAL UNIT CHARGES) CUC DEBT

BALANCE AT THE BEGINNING OF THE YEAR
ADDITIONS / PAYMENTS DURING THE YEAR

The Department of Water Affairs commissioned Water Transfer Scheme project for the purpose of augmentation supply of potable water within the Upper System through implementation of the WMTS-2. The project is funded and implemented by Trans Caledon Tunnel Authority (TCTA) under a directive from the Minister of the Department of Water Affairs as it was then known which is now called the Department of Human Settlements, Water and Sanitation. As part of the TCTA mandate was also to provide the mechanism to repay the costs related to the project. The infrastructure costs of WMTS-2 are financed (in the main) through loan funding from a variety of funders including Agence Francaise de Developpement, the European Investment Bank, the KfW Bankengruppe and the Development Bank of Southern Africa (DBSA). The repayment model of the loan funders would take the form of recoveries from all the Upper System users and this process would be administered by Umgeni Water. Lembo District Municipality (hereinafter referred to as the Municipality) being one of the Upper System users was required to contribute its share towards the construction costs through an additional charge on the monthly bulk water purchases from Umgeni Water. The additional charge for the purpose of the recovery in question is referred to as Capital Unit Charges and the period of recovery was set to 30 years starting from 2012 ending in 2042. Upon recovery, Umgeni Water passes the contribution onto TCTA. The process is supposed to be regulated in terms of a water use Agreement" also referred to as the agreement"

"The Municipality started paying its contributions in 2012 and then stopped paying the CUC around 2014 on the basis that there was no signed agreement in place as well as the fact that there was no clarity as to who was the direct benefit to the Municipality to be served from the WMTS-2. On this basis the Municipality lodged a dispute in terms of Section 42 of the WSA and the matter was referred to SALGA for arbitration. At a later stage SALGA ruled that parties had to conclude and sign the agreement which would then regulate WMTS-2 water supply matters and the applicable charges in the main being the Capital Unit Charges. It took very long time to conclude the process of getting the agreement signed as this was only concluded at the end of June 2023

Whilst the dispute process was in progress Umgeni Water continued to bill the Municipality and at the time of concluding the agreement the debt had accumulated to R"8 [illegible] 273.35. Umgeni Water has not been charging any interest rates on the unpaid contributions and in terms of the agreement that has been concluded the Municipality will settle this amount over a period of 12 years beginning on the 1st of July 2020 ending 30 June 2032. Annual repayments are set at R6 526 522.90 each payable into monthly repayments of R543 478.90 with no interest charged. In addition Umgeni Water will bill the Municipality on a monthly basis the current unpaid CUC which the Municipality will record on its books as part of Bulk Water Purchases expense. This expense is provided for in the Municipality's medium term revenue and expenditure framework (MTREF)

The accumulated debt had previously been classified under pro-rata according to the interest and conducted by Mar agreement during [illegible] financial year after with GRAP 19 (Provisions, Contingent Liabilities and Contingent Assets) mainly due to the fact that the agreement had not been signed at the same

Management has subsequently conducted another assessment post signing of the agreement and based on the terms and conditions contained therein concludes that the CUC Debt should be classified as "Long Term Creditor" and be disclosed under Financial Liabilities. The agreed annual repayment amount is disclosed as "Current Portion of the Long Term Creditor under the balance is payable beyond the next 12 months period is disclosed as Non-Current (Long Term Creditor

The financial liability was recognised on initial recognition using a repayment term of 144 monthly monthly instalments of R543 877 and an effective interest rate of 7%. At 30 June 2022 the Umngeni Water Board passed a credit note of R34 million for over payment of Bulk purchases. The water Board requested IDM to set- off the credit note against the financial liability. In addition the terms of agreement were renegotiated. The new terms required IDM to pay an amount of R2.7 million per month over a period of 5 months to settle the liability.

Due to the significant changes in the terms and conditions applicable to the financial liability. The Municipality de-recognised the balance of financial liability initially recognised. A new financial liability was recognised relating to the amended terms based on 5 monthly repayment of R1.7 million just an effective interest rate of 7%. Both the de-recognition of initial financial liability and the initial recognition of a new financial liability were processed to the fair value adjustment account in the general ledger and the unwinding of financial instruments

47 EMPLOYEE BENEFITS INFORMATION

47.1 Defined contribution plan

The following are either defined contribution plans or defined benefit plans. Arbat Joint Municipal Pension Fund, National Treasury Government Employees Pension Fund, SALA Pension Fund and Municipal Councillors Pension Fund. These plans are all multi employer plans. Sufficient information is not available to enable the Municipality to account for these plans which are defined benefit plans using defined benefit accounting. This is due to Municipality's portion of the plan asset and plan liabilities not being determined by the actuaries of the multi employer plans. Accordingly all of the multi employer plans have been accounted for as if they were defined contribution plans. Contributions have been expensed

	2022	2021
	R	R

17.1 Other Long-term Benefit plan

The Alembe District Municipality's net obligation in respect of long-term service benefits, other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AAA credit rated bonds that have maturity dates approximating the terms of the municipality's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in full in the period in which they occur.

The amounts recognised in the statement of financial position were as follows:

Discount rate per annum	9.20%	9.20%
Inflation rate	5.74%	5.74%
Net effective discount rate	3.23%	3.23%
Demographic assumptions used are:		
Withdrawal	100%	100%
Average retirement age	63	63
Mortality during employment	SA 85-90 Ultimate	SA 85-90 Ultimate
Percentage of members withdrawing from service before retirement		
Age 20	18%	18%
Age 30	12%	12%
Age 40	10%	10%
Age 50	6%	6%
Age 60 +	0%	0%
The amounts recognised in the statement of financial position		
Present value of the defined benefit obligation	18,093,813	18,195,000
Liability	18,093,813	18,195,000
EMPLOYEE BENEFITS (continued)		
Movement in the defined benefit obligation:		
is as follows:		
Balance at beginning of the year	18,195,000	15,213,150
Prior year adjustment	1,547,000	1,241,850
Current service cost	1,535,000	366,517
Interest cost	2,465,000	1,320,652
Actuarial (gains)/losses	(1,547,292)	1,382,795
Policy amendments	(2,101,895)	(1,329,964)
Balance at end of year	18,093,813	18,195,000
The bulk of the employee benefits is in respect of:		
Post-employment medical benefits	1,598,736	2,981,000
Employee benefit obligations	16,495,077	15,214,000
	18,093,813	18,195,000
The amounts recognised in the statement of financial performance were as follows:		
Current service cost	1,507,000	1,241,850
Interest cost	1,535,000	366,517
Actuarial (gain)/losses	(1,547,292)	1,382,795
	1,494,708	2,991,161

	30/06/2022 R	30/06/2021 R
48 CAPITAL COMMITMENTS		
48.1 Commitments in respect of capital expenditure		
Approved and contracted for	287 264 651	264 815 489
[illegible]	[illegible]	[illegible]
Approved but not yet contracted for		
[illegible]		
[illegible]		
Total	287 264 651	264 815 489
This expenditure will be financed from:		
[illegible]	[illegible]	[illegible]
Council funding		
External loans		
TOTAL CONTRACTUAL COMMITMENTS	287 264 651	264 815 489

The amounts disclosed above are all inclusive

49 RELATED PARTIES		
Members of key management	Section 57 appointed	
Controlled Municipal Entities	Ilembe District Municipality Rural Development Enterprise (Pty) Ltd	
[illegible]	[illegible]	
Related party balances		
Amount owed by Ilembe Enterprise Holders in other liabilities		[illegible]
Amount owed by Ilembe Enterprise included in other receivables	[illegible]	
Related party transactions		
Transactions with Enterprise Ilembe Development Agency		
Grant funding from the parent Ilembe District Municipality to Enterprise Ilembe	15 961 270	15 961 270
Shared Services Contributions by local municipalities towards the development planning shared services	[illegible]	264 940

49.1 STAFF MEMBER EN Hlongwa		
General Expenses for the year	[illegible]	[illegible]

An employee of a board member of [illegible] which transacted with the municipality during the financial year under review

49.2 STAFF MEMBER PW Zulu		
General Expenses for the year	[illegible]	

Mrs P W Zulu is an employee of the Municipality and her husband is a director of Zam-Ani Surveyors which transacted with the Municipality during the financial year under review

49.3 Staff Member Z V Mzimela		
General Expenses for the year	[illegible]	

Mrs Z V Mzimela is an employee of the Municipality and her mother-in-law and brother-in-law are directors of Mhlaba Trading Company, Sibongakonke Trading Company and Gabisile Trading which transacted with the Municipality during the financial year under review

49.4 Staff Member S V Mthethwa		
General Expenses for the year	[illegible]	

Mr SV Mthethwa is an employee of the Municipality and his wife is a directors of [illegible] which transacted with the Municipality, during the financial year under review

49.5 Staff Member B S Ngema		
General Expenses for the year	[illegible]	

Mr B S Ngema is an employee of the Municipality & the director of [illegible] which transacted with the Municipality during the financial year under review

50 CONTINGENT LIABILITY		
50.1 Icon Construction		
Icon Construction	Interest Charges on arrear payments & standing time	1 627 678.88

Icon Construction | Interest Charges on arrear payments & standing time

With effect from July 2013 Icon Construction raised interest charges on arrear payments as well as standing time of the contractor having abandoned construction site due to prolonged non-payment for work done. The Municipality had embarked on negotiating with Icon Construction to solve the interest charges in question. Icon Construction resorted into settling the matter through legal processes and the matter is currently awaiting court ruling. The amount disclosed is based on the statement of account dated 30 June 2020 received from Icon Construction Management and the view that the interest charged is not payable hence the charges are being disputed.

The second part of the claim, i.e. Claim (5g) entails a dispute with regard to delays in the refurbishment of a Package Waste Water Treatment Plant (PWWTP) Mechanical and Electrical (M&E) Subcontractor (Tuplemech) which forms part of the construction of the tank to house the M&E of the PWWTP. Previously the appointed adjudicator ruled in favour of the Contractor. This dispute will be delivered to Arbitration. At the time of concluding annual financial statements for the year ended 30 June 2021 the Municipality was in a process to appoint the the defending attorneys to represent the Municipality.

The previous Adjudicator had also ruled that the contractor was responsible for the delays encountered on the construction of Ndwedwe Water and Plant in Gledhow area which resulted into the release of retention being withheld for the Supplier in the tune of R1 627 678.88. The current Adjudicator found the Municipality to be responsible for the delays and that the Municipality should pay the contractor their interest on retention monies from 17 November 2021 to 17 December 2021. The Municipality has noted the comments on the retention to refer the matter for arbitration.

Balance as at 30 June 2021		1 627 678

		2022 R	2021 R
58.2	Bosch Wenbach (Pty) LTD - Dispute over fee claim in terms of work performed on the construction of Bulk Pipelines Pump Station, Rasterview and Reticulation (Magashwini/KwaDukuza RWSS Zone 4)		1 484 436
	The Municipality has been served with Court papers in lieu of a litigation claim made by Bosch Wenbach (Pty) Ltd for what they claim are outstanding fees due to them for work performed / new of the construction of Bulk Pipelines Pump Station, Rasterview and Reticulation - Magashwini/KwaDukuza RWSS Zone 4). At the time of compiling the annual financial statements the Municipality was in the process of evaluating the tenders available to it to attempt the litigation		
	Balance as at 30 June 2021		1 484 436
58.3	TL Mbo Attorneys Legal Costs - Application for Court precedent and subsequent Legal Representations An aggrieved ratepayer group of community members who were demanding to be awarded with contracts by the Municipality without following prescribed legal processes and held illegal protests and and held project implementation standstill in one of the cities. The Municipality was therefore compelled to seek an urgent Court interdict in order to discipline the protesting group of individuals and to deter them from causing any interruptions to the project work underway.		
	The Municipality engaged the services of TL Mbo Attorneys to facilitate the process of applying for the court interdict and to act on its behalf in legal proceedings in any subsequent contemplated legal processes.		
	As the only nature of the legal matter involved is interdictal, there are no direct litigation claims to be brought against the Municipality as such. The Municipality is liable for all of the legal costs due to the Attorneys.		
	Balance as at 30 June 2021		
58.4	Avenue Utilities Engineers and Project Managers (Pty) LTD - Dispute over a fee claim in lieu of work performed by the service provider beyond what was contractually agreed upon	5 079 680	5 079 680
	as at 30 June 2022		
	The service provider has reported the matter to Treasury. We are therefore awaiting the outcome		
	The Municipality filed the notice to oppose the matter with the court case is being awaited		
	as at 30 June 2021		
	The service provider (Avenue Utilities) was initially appointed for an amount of R2 715 572.10 inclusive of an assessment of Landsdale area ward 5 of the water and sewer infrastructure. The said service provider's contract was subsequently extended to carry out more detailed assessment of the water and sewage infrastructure, two business plans (one for water and one for sewer) was approved by Cogta and work commenced on the business plans. The sewer business plan was for an amount of R 10 443 660 and the service provider was appointed by EXCO for that amount. This was based on a construction amount of R 55 083 000 The amount was paid to the service provider. The service provider subsequently carried out a more detailed design of the sewer network and came up with a construction amount of R51 271 270.42, more than double the original estimated amount of R 55 300 000 This was done without getting a go ahead from EXCO as stated in the SLA of already approved (plus reviews) should be received for each phase of the project. The consulting fees then escalated from the approved amount (R10 443 660) to R14 353 121.01 The service provider then claimed the additional amount based on the increased estimated construction cost. The initially approved by the Municipality and thus the invoice could not be paid. In addition the disagreement between EXCO and the approval of the business plan (Cogta) was still under way		
	Balance as at 30 June 2022	5 079 680	5 079 680
58.5	Crops Plant Hire - Claim for services rendered with respect to the hiring of a variety of Plant & Machinery (Excavator Water Tanker and TLB)	97 345	
	as at 30 June 2022		
	Of the contingent liability of R1 300 594.12 reported during 2020/21 financial year a settlement agreement of the sum of R1 213 249.43 was reached with Crops Plant Hire and paid during 2021/22 financial year. The balance of R87 344.69 remained under dispute and Crops Plant Hire did a decision to furnish the Municipality with documentary evidence regarding appointment and confirmation of services rendered		
	as at 30 June 2021		
	The Municipality has been served with Sheriff Notice of intent of a demand for payment in respect to various plant and machinery that had been hired by the Municipality in the process of rendering its services. The hire charges in question include the following:		
	• Hire of Excavator (01/10/2018) • Hire of Water Tanker (01/11/2018) • Hire of Excavator (23/07/2020) • Hire of Excavator (23/07/2021) • Hire of TLB (01/10/2020), and • Hire of Excavator (30/11/2020)		
	At the time of concluding annual financial statements, engagements had been initiated with Crops Sans & Clare Hire CC in an attempt to gather more facts in order to inform any further decision on the matter		
	Balance as at 30 June 2022	97 345	

61 EVENTS AFTER THE REPORTING DATE

President Cyril Ramaphosa on 15 March 2020 declared a national state of disaster in terms of the Disaster Management Act. He announced that government is taking urgent and drastic measures to manage the disease, protect the people of our country and reduce the impact of the virus on our society and on our economy. Since the initial lockdown was announced, the lockdown has been ongoing following a risk-adjusted strategy which takes a three tiered approach to the level of infection and further the future. The factor outlined above has had an impact on the activities within the municipality.

62 RISK MANAGEMENT

62.1 Maximum credit risk exposure

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:		
Consumer debtors	658 343 950	544 548 989
Other debtors	1 250 789	1 380 517
Non Current Receivables	859 284 635	598 729 486
Ageing of consumers		
Current (0 – 30 days)	28 476 613	24 514 186
31 - 60 Days	21 905 485	19 499 055
61 - 90 Days	19 426 561	18 747 977
91 - 120 Days	14 126 224	15 730 297
121 - 365 Days	16 660 636	15 370 744
> 365 Days	557 348 829	455 787 253
Total	658 343 550	544 548 889
Less: Provision for bad debts	(474 971 714)	(426 717 329)
Net of trade debtors	183 371 836	127 831 560
Cash and cash equivalents	202 786 719	203 934 987
Other investments		
	202 786 719	203 934 987

These balances represent the maximum exposure to credit risk

62.2 Liquidity risk

Liquidity risk is the risk that the municipality will not be able to meet its obligations as they fall due. The municipalities approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Municipalities reputation.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The future liabilities liability are sourced by appropriate assets and / cash equivalents.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows

		2022 R	2021 R
	At then 1 year	Between 2 to 5 years	Total
2022			
Gross finance lease obligations	2 [illegible]	[illegible]	14 284 693
Non-current	4 [illegible]	[illegible]	13 983 940
Trade and other payables	207 [illegible]		207 978 152
Employee Benefit Obligation	[illegible]	5 [illegible]	78 [illegible]
	227 694 630	42 287 711	269 982 150

	At then 1 year	Between 2 to 5 years	Total
2021			
Gross finance lease obligations	[illegible]	[illegible]	32 994 [illegible]
Non-current	7 006 [illegible]	[illegible]	33 183 940
Trade and other payables	184 [illegible]		186 212 539
Employee Benefit Obligation	3 [illegible]	17 [illegible]	40 776 842
	214 922 234	58 345 678	273 167 912

52.3 Interest rate risk

The Municipality is not exposed to interest rate risk as the financial liabilities at the future interest rates are fixed interest loans.

The municipality's interest rate risk arises from long-term loans from banks. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk.

The Municipality is exposed to fair value interest risk as external loan liabilities which are all loan fixed rates

At year end financial instruments exposed to interest rate risk were as follows.

	2022 R	2021 R
Cash and cash equivalents	[illegible]	[illegible]
Other investments	-	-
Gross finance lease obligations	[illegible]	32 994 [illegible]
Bank loans	11 [illegible]	13 [illegible]
Consumer debtors	558 343 953	549 548 584

53 RECONCILIATION BETWEEN BUDGET AND CASH FLOW STATEMENT

	Key	Operating	Financing	Investing	Total
Amount in prior in the budget statement		193 539 360 [illegible]	[illegible]	[illegible]	1527 254
Actual amount as presented in the budget statement		240 896 348	[illegible]	[illegible]	1248 297
Basis differences	Applicable	34 2[illegible]			134 210 466
Timing differences	Not applicable				
Entity differences	Not applicable				
Variance		46 [illegible]	20 141 334	(38 937 920)	37 988 183
Variance percentage		19 14%	52 98%	14%	1077%

54 Water and Non-Revenue Resources

The Municipality has the following Water and Resources

Boreholes

- Vaalpens Borehole 5
- Vaalpens RES 1 Borehole
- Vaalpens RES 2 Borehole
- Vaalpens RES 4 (C2) Borehole
- Tshilamabi BH
- Ennerdale BH
- Ngwedi Borehole
- Mahosi Borehole
- Khunwana Borehole No 31
- Khunwana Borehole No 32
- Khunwana Borehole No 11
- Mafikeng Borehole
- Amalia Borehole
- Ebenhaen Water Supply Scheme
- Utlwaste Water Supply Scheme
- Manganese Water Supply Scheme
- Lombardie Borehole
- Ngaka Borehole
- Thlabane Borehole

Spring Protection

- Ngwedi near Bheng a store (Ward 6 new)
- Whydowers near Duke of N2 freeway (Ward new)
- Mangelaa near Mpanza – Ward 9 (new)
- Vaalpenberg near Diamond (Ward 11 old)
- Selhabe near Ngema – Ward 31 (old)
- Ebenhaen near Mkhize – Ward 19 (old)
- Mangaka Emanaza – Ward 3 (old)
- Enembe embangeni near Mdawande – Ward 5 (old)
- Enembe embangeni near Gumede – Ward 3 (old)
- Emgwenbeni near Mashaba store – Ward 11 (old)

54 UNAUTHORISED IRREGULAR FRUITLESS AND WASTEFUL EXPENDITURE

	2022 R	2021 R	2020 R	2019 R	2018 R	2017 R
54.1 Unauthorised expenditure						
Reconciliation of unauthorised expenditure						
Balance brought forward	[illegible]	[illegible]	[illegible]	[illegible]	22 545 444	
Unauthorised expenditure current year					[illegible]	[illegible]
Carried to receivables for recovery					4 299 [illegible]	[illegible]
Transfer to receivables for recovery						
Balance carried forward	14 746 888	14 746 888	14 746 888	14 746 888	14 746 888	22 345 444
Percentage written off during the period under review	0%	0%	0%	0%	35%	65%

Incident

The outstanding balance of unauthorised expenditure of R14 746 888.00 relates to the implementation of Lower Thembu Bulk Water Supply Scheme Phase 3A. This amount was shown through the Report of the Investigations Panel Report from the Department of Water and Sanitation (DWS). The incidence occurred during 2016/17 financial year as a result of grant expenditure exceeding grant allocation as well as budget premium for the year in question. The initially approved grant allocation for the 2016/17 financial year for Lambe District Municipality was R156mil per the originally tabled DORA. This allocation was later reduced to R126mil. The reduction in grant allocation was factored in the main adjustment budget for 2016/17 during February 2017. However at the time DWS's decision to cut back was communicated work had already been performed and invoices issued by the service provider contracted by Black Balance Projects (Pty) LTD and the expenditure committed up to the value of R154mil as was furnished by the original grant allocation). This therefore resulted in over expenditure on the grant allocation and by implication on the budget provision for 2016/17 financial year.

Actions taken

- This matter was reported during the [illegible] 2017/18 financial year wherein Council resolved and noted the unauthorised expenditure in question. It was further resolved to refer the matter to MPAC for further investigation.

MPAC conducted its investigation in July 2020. In conducting its investigation and after having considered the circumstances surrounding this matter the MPAC recommended that Council should approach National Treasury to have this matter referred to its Internal Audit Unit to undertake a further investigation and report back to the Chief Executive Officer of Lambe District Municipality the findings and recommendations made.

[illegible]

	2022 R	2021 R	2020 R	2019 R	2018 R	2017 R
54.2 Fruitless and wasteful expenditure						
Reconciliation of fruitless and wasteful expenditure						
Balance brought forward	4 375 888		[illegible]	[illegible]	[illegible]	
Fruitless and wasteful expenditure raised in the current year but relating to p		4 375 888				
Fruitless and wasteful expenditure current year	7 327 [illegible]				[illegible]	[illegible]
Certified as irrecoverable and written off by Council in terms of MFMA section 32 Recovered from responsible officials			170 004		[illegible]	[illegible]
Balance carried forward	11 733 371	4 375 888	-	78 884	78 884	523 116
Percentage written off during the period under review	0.0%	0.0%	100.0%	0.0%	87.2%	1.0%

Incident

1) First Works (Pty) Ltd

During the audit of 2020/21 financial year the Auditor General identified and concluded on certain claims by First Works (Pty) Ltd as being fruitless & wasteful expenditure. This expenditure relates to the historic claims incurred in the construction of Isilandile Water Supply Scheme.

The Auditor General made an audit finding that during the construction of Isilandile Water Supply Scheme the appointed contractor claimed an amount of R4 375 887.50 in respect of [illegible] which [illegible] and [illegible] and [illegible] and

54 UNAUTHORISED IRREGULAR FRUITLESS AND WASTEFUL EXPENDITURE

	2022 R	2021 R	2020 R	2019 R	2018 R	2017 R

5.3.1 Irregular expenditure incurred during the current financial year

There were [illegible] irregular expenditure identified during the year under review. The irregular expenditure included [illegible] as detailed below:

Total	2021/22	2020/21
[illegible]	R 41 480 580	R 18 465 190

Incident

1) Ikhingo Security Services

The irregular expenditure on Ikhingo Security Services incident relates mainly to an irregular during 2017/18 after an [illegible] was issued before [illegible] of time) to refer the matter to MPAC for investigation. Ikhingo Security Services had been appointed in July 2017 to render security services.

Subsequent to expiry of the initial contract it was extended for a period of six months through application of Section 116 of the Municipal Finance Management Act Act No. 56 of 2003 ("MFMA"). At the expiry of the 6 months extension, the contract was extended to a month to month contract pending finalisation of bid processes to secure a new service level. As part of preparatory work issues to speed up an open bid. The Municipality conducted a comprehensive security needs assessment which informed the tender specification.

Two tender processes were undertaken of which the first one could not be successfully concluded due to [illegible] of all returned bids were above the available budget. This necessitated a revision to the original specification by reducing the number of personnel security required and in some instances by removing certain aspects of security equipment and in order to fit in the budget constraint. The 2nd tender process was finalized in January 2019 where upon a new security company was appointed. This appointment was challenged by two unsuccessful bidders through both objection process. The objection was heard and eventually first objection one of the complainants dropped their objection. The remaining unsuccessful bidder, Ikhingo Security Services, appealed and the matter was escalated to the KwaZulu Natal Provincial Treasury. KZN PT has appointed a panel of attorneys to arbitrate on the matter through its Municipal Bids Appeals Tribunal (MBAT) process. MBAT panel concluded its arbitrator process on November 2019 and ruled that the tender process should be advertised again. The unsuccessful bidder lodged a notice to appeal the decision of the MBAT panel through a court process and was matched the Municipality to re-advertise in abeyance. The argument by Ikhingo Security Services is that MBAT ruling should have ordered that they be appointed instead of initiating a fresh bid process since they were the second most responsive bidder in terms of the security had that was a subject of objection.

Actions taken

Immediately after the matter had been referred to MPAC, by Council, the Committee conducted and conducted its investigation and found that no one could be held responsible for the expenditure in question. The [illegible] MPAC recommendations. Council ratified the irregular expenditure concerned as recovered was and approved it to be written off.

- Subsequent to Ikhingo Security had approached High Court to have the ruling of MBAT set aside and seeking for the Court rule. A review of Ikhingo Security Services being awarded the contract on the basis that they were the second most responsive bidder in the security bid being a subject of court review. KZN Provincial Treasury appointed SG Mbili & Associates Inc. Attorneys to defend the matter on behalf of both KZN PT and Ilembe District Municipality.

The matter will retire the court on the 30th of July 2021 but the judgement was reserved at the time. On the 12th of April 2022 Honourable Madam Justice Madondo of the High Court of South Africa, KwaZulu-Natal Local Division, Durban handed down judgement by dismissing the application with costs (including costs of Senior Counsel).

- Ikhingo Security Services then lodged an application for leave to appeal the judgement of the Honourable Madam Justice Madondo granted on the 12th of April 2022 and the matter was set down for hearing in the High Court of South Africa, KwaZulu-Natal Local Division, Durban on the 15th of May 2022. Ikhingo Security Services attempted to petition the Supreme Court of Appeal to grant them leave to appeal with no success.

- Subsequent to the matter being finalized in the courts, the Municipality terminated the services of Ikhingo Security Services on the 30th of June 2022 and proceeded to appoint two security service providers for a period of six months. This is an interim measure while the Municipality is undergoing open bid processes in order to secure a three year security contract.

- The matter has unnecessarily been [illegible] with the [illegible] of a year under review. A [illegible] to prevent [illegible] from the use [illegible] and [illegible] that the

5.3.2 Irregular expenditure certified by council as irrecoverable and written off as terms of MFMA Section 32 during the period under review

As at the 30th of June 2022 no expenditure had been written off as irrecoverable and approved by Council for write off. At the time of reporting all the active cases of irregular expenditure had been referred to MPAC and the Municipal Disciplinary Board for further investigations.

5.3.3 Outstanding Matters of Irregular Expenditure

	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	Total
Utility Systems (Pty) LTD	-	-	-	-	6 335 238.78	-	6 335 238.78
Joel Consulting Group	-	-	95 075 156.66	-	-	-	95 075 156.66
Ikhingo Security Services	41 480 579.54	-	-	-	-	-	41 480 579.54
Unknown Property Complication	6 639 223.92	-	-	-	-	-	6 639 223.92
	48 119 803.46	-	95 075 156.66	-	6 335 238.78	-	149 530 198.90

Incident

2) Utility Systems (Pty) LTD

Utility Systems (Pty) Ltd was engaged by the Municipality in July 2013 to collect the prepaid metering system including supplying related materials and the vending software. The contract was set to expire in June 2016. Services of the company were however utilized between July 2016 and June 2017 which was subsequent to the expiry of the contract. This incidence occurred during the time when the Municipality's contract management processes were not effective and exert all controls poor. Here is this was not detected before [illegible].

Actions taken

After the matter had been referred to MPAC, by Council, the Committee conducted its investigation and referred the matter for external investigation.

The Municipality engaged C Ngubane & Associates to execute an external investigation. The investigation could not be concluded due to [illegible] information that was required in order to conclude on the matter not readily available for C Ngubane & Associates to peruse and formulate appropriate recommendations.

This matter has subsequently been handed over to the Municipal Disciplinary Board for further investigation and at the time of [illegible] completion of annual financial statement for 2021/22 financial year the investigation in question had not yet been finalized. There has been a gap in the functioning of the Municipal Disciplinary Board subsequent to the expiry of the term of the Board Chairperson. The processes are under way to have the vacant position filled. The investigation processes will thereafter resume once the functioning of the Board is restored through appointing a new Chairperson.

3) Joel Consulting Group

The R95 075 156.66 pertains to irregular expenditure resulting from transactions with Joel Consulting Group who were engaged by the Municipality to undertake implementation of an intervention programme that sought to manage the non-revenue water losses with an intention to reduce such losses. The initial appointment took place in 2008 and this was followed with services. A number of contracts that extended up to the period ending 30 June 2019. It was established that all extensions carried out on this contract through the years 2011 to 2019 were not valid leading to the expenditure incurred thereto being classified as irregular.

[redacted] MUNICIPALITY

UNAUTHORISED IRREGULAR FRUITLESS AND WASTEFUL EXPENDITURE
Period ended 30 June 2022

54 UNAUTHORISED IRREGULAR FRUITLESS AND WASTEFUL EXPENDITURE

	2022 R	2021 R	2020 R	2019 R	2018 R	2017 R
Actions taken						

The regular expenditure was raised before [redacted] during 2019/20 for which Council resolved to refer the expenditure to MPAC for further investigation

MPAC investigated the irregular expenditure and recommended it be due to the [redacted] updates at Board ... of the relevant bank accounts. It would be more appropriate to use the date of the internal investigation. In concluding its investigation and after having considered how to interpret the circumstances surrounding this matter the MPAC further recommended that Council should approach AuditOr-Gen to have the matter referred to it in order to facilitate a further investigation and report back to the Council of [redacted] District Municipality the findings and recommendations thereof.

At a Council meeting held on the 30th of October 2020 Council considered MPAC recommendations and in its resolution adopted and resolved to refer the matter to the newly formed Disciplinary Board of the District Municipality to undertake the required further investigation. The matter has therefore been handed over to the Municipal Disciplinary Board for further investigation

b) Irregular Property Construction

This matter pertains to irregular expenditure arising from the [redacted] payment made to [redacted] Property Consultants during the current financial year relating to the Review of Bulk Water and Wastewater Infrastructure Project. It was brought to the attention of [redacted] Municipality that the contracts that were awarded in 2016 without fully complying with the provisions of Section 116 of the MFMA. Previous engagements had occurred on this project that [redacted] as irregular and was certified as recoverable and approved for write off by Council per Council Resolution No [redacted] after all due processes and terms of investigating the matters that led to the irregular expenditure being incurred were fully and as [redacted] Section 32 of the MFMA

Actions taken

After the matter had been referred to MPAC by Council the Committee investigated the irregular expenditure arising from the final payments made to [redacted] Consultants during 2021/22 financial year being [redacted] respect of the Review of Water and Wastewater Bulk Infrastructure amounting to R4 628 325.92 on a non-recurring basis. It was established that the contracts that were awarded in 2016 without fully complying with the provisions of Section 116 of the MFMA. Through perusing the previous Council records particularly Council Resolution No [redacted] MPAC established that the initial and variation expenditure on the same contract had previously been verified as irregular and written off by Council

MPAC had found no subsequent transactions from previous Council decisions on the matter MPAC therefore resolved that Council considers writing the expenditure as irrecoverable and approve the write off

The following members of MPAC were present at the meeting held on [redacted] [redacted] [redacted]

ILEMBE DISTRICT MUNICIPALITY - DC29
APPENDIX A
UNAUDITED SCHEDULE OF EXTERNAL LOANS
as at 30 June 2022

EXTERNAL LOANS	Loan number	Redeemable Date	Balance at 1 July 2021	Interest Paid during the period	Interest Accrued at year end	Redeemed / written off during the period	Balance at 30 June 2022
			R	R	R	R	R
LONG-TERM LOANS							
Development Bank of SA		12/31/2025	33,183,941	2,905,602	0	5,518,810	27,665,131
Total Borrowings - DBSA Loan			**33,183,941**	**2,905,602**	**-**	**5,518,810**	**27,665,131**
Current Portion of Long Term Borrowings - DBSA Loan							**7,006,397**
Non-Current Borrowings - DBSA Loan							**26,177,543**
Accrued Interest							
Development Bank of SA			-		2,658,202		2,658,202
Total Accrued Interest - DBSA Loan			**-**	**-**	**2,658,202**	**-**	**2,658,202**

FOREX LIABILITY AS AT 30 JUNE 2022

PRINCIPAL LIABILITY

The Municipality has an Agreement with Microsoft Ireland Corporation (Microsoft) for Microsoft Volume Licenses for all Microsoft products (covering both Operating and Application Software) currently utilized by the Municipality. The agreement covers the period 01 July 2021 to 30 June 2024. In terms of the agreement, the Municipality acquires the right of use of Microsoft licenses upfront and make payments in three annual, equal instalments over the duration of the contract (i.e. 3 years). The payments are denominated in US Dollars (US$).	INTEREST RATE	DATE OF EXPIRY	FOREX LIABILITY AT CONTRACT START DATE (01 JULY 2021)	NET CHANGES AS A RESULT OF FOREIGN EXCHANGE FLUCTUATIONS	SETTLEMENT OF LIABILITY DURING THE REPORTING PERIOD	FOREX LIABILITY AT 30 JUNE 2022
	0.00%	6/30/2024	4 854,498.67	(635,286.29)	1,811,062.21	3,678,722.75
Current Portion of Long Term Forex Liability						1,839,361.25
Non-Current Portion of Long Term Forex Liability						1,839,361.50

FOREIGN EXCHANGE FLUCTUATIONS

This relates to the recognition of gains realized from or losses incurred in foreign exchange transactions as a result of currency fluctuations over the duration of the agreement. Gains realized has a fourable impact in that it reduces Forex Liability whilst losses incurred increases Forex Liability.	FOREIGN EXCHANGE GAINS	FOREIGN EXCHANGE LOSSES	NET GAIN / (LOSS)
	474,130.06	(1,109,416.35)	(635,286.29)

ILEMBE DISTRICT MUNICIPALITY
APPENDIX B
UNAUDITED ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 JUNE 2022

	Cost / Revaluation							Accumulated Depreciation								Transfers	
	Opening Balance	Additions	Change in policy/prior year errors	Disposals	Transfers	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Change in policy/prior year errors	Change in estimate	Reversal of impairment loss	Impairment loss	Closing Balance		Carrying Value
	R	R		R		R	R	R	R	R				R	R	R	R
Land	3 092 908						3 092 908										3 092 908
	3,092,908	-	-	-	-	-	3,092,908	-	-	-	-	-	-	-	-	-	3,092,908
Buildings	34 484 212	-	-	-	-	-	34 484 212	(13 269 210)	(1 214 947)	-	-	-	-	-	(83 984 157)	-	20 986 055
Infrastructure																	
Sewerage Mains & Purification	288 560 111		(6 269 473)	1 881 249			284 191 887	(97 104 375)	(10 436 854)	5 745 283		(66 324)		(301 473)	(102 185 243)		182 006 644
Water Mains & Purification	2 702 519 397	367 251	(19 756 883)	208 912 306			2 892 042 070	(731 372 167)	(94 157 565)	16 550 095	454 756	(972 065)	84 244	(2 807 356)	(792 475 703)		2 099 567 462
Under construction	495 937 568	(367 251)		(210 793 556)		216 542 015	461 290 576										461 290 576
	3,487,032,570	-	(23 250)	(26,026,356)	-	216,542,015	3,637,524,873	(808,476,542)	(104,593,439)	22,295,378	354,756	(1,060,413)	84,244	(3,164,329)	(894,660,946)	-	2,742,864,833
Total carried forward	3,484,609,690	-	(23,250)	(26,026,356)	-	216,542,015	3,675,102,099	(820,865,752)	(105,808,386)	22,295,378	354,756	(1,060,413)	84,244	(3,164,329)	(908,164,503)	-	2,766,937,596

ILEMBE DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 JUNE 2022

	Cost / Revaluation							Accumulated Depreciation								Transfers	
	Opening Balance	Additions	Change in policy/prior year errors	Disposals		Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Change in policy/prior year errors			Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Carrying Value
	R	R		R		R	R	R	R	R				R	R	R	R
Total brought forward	3,484,609,690	-	(23,250.00	(26,026,356)	-	216,542,015	3,675,102,099	(820,865,752)	(105,808,386)	22,295,378	354,756	(1,060,413)	84,244	(3,164,329)	(908,164,503)	-	2,766,937,596
								1,942,021	0								
Other Assets																	
Office Equipment	4 409 733			(383 953)	(426 509)		3 599 271	(2 298 842)	(299 735)	312 564		(11 156)		(1 023)	(2 297 992)	391 191	1 692 470
Machinery & Equipment	5 399 956	419 524 10	23 250	(353 326)	426 509	-	5 878 91b	(1 942 021)	(575 b28)	317 377	(16 157)	(36 157)		(272 732)	(2 537 956)	391 191	2 341 154
Transport Assets	35 078 929	7 093 224 35		(2 013 786)			40 158 367	(8 400 952)	(5 163 807)	1 489 770					(12 074 768)		28 083 599
Computer Equipment	5 247 213	2 455 991 37		(311 387)			7 241 818	(2 493 468)	(596 336)	292 073	(492)	(136 363)			(2 935 186)		4 306 632
	50,157,834	9,764,739.82	23,250	(3,062,452)	(0)	-	56,878,371	(15,135,103)	(6,635,306)	2,411,784	(19,607)	(713,879)	-	(273,735)	(19,855,841)	-	37,022,530
Finance Lease Assets																	
Computer Equipment	5 139 370			(58 056)			5 081 312	(522 464)	(1 710 189)	24 165					(2 208 488)		2 872 823
Vehicles	44 256 930					-	44 256 930	(20 354 401)	(14 703 390)	23 032					(35 034 760)		9 222 170
	49,396,300	-	-	(58,056)	-	-	49,338,242	(20,876,866)	(16,413,579)	24,165	23,032				(37,243,248)	-	12,094,994
Total	3,584,163,824	9,764,739.82	-	(29,146,867)	(0)	216,542,015	3,781,318,712	(856,877,721)	(128,847,271)	24,731,327	358,181	(1,774,288)	84,244	(3,438,064)	(965,263,591)	-	2,816,055,120

ILEMBE DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2021

	Cost / Revaluation							Accumulated Depreciation								
	Opening Balance R	Additions R	Change in policy/prior year errors	Disposals R	Transfers	Under Construction R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Change in policy/prior year errors		Impairment loss/Reversal of impairment loss R	Closing Balance R	Transfers R	Carrying Value R
Land	3 092 908						3 092 908									3 092 908
	3,092,908	-	-	-	-	-	3,092,908	-	-	-	-		-	-	-	3,092,908
Buildings	34,484,212	-	-	-	-	-	34,484,212	(11,073,885)	(1,196,891)	-		(18,435)		(12,289,210)	-	22 195 001
Infrastructure																
Sewerage Mains & Purification	731 430 148			(4 473 910)	61 623 873		288 580 111	(85 082 790)	(10 090 354)	3 684 413		(254 811)	(4 761 626)	(97 304 370)		191 475 740
Water Mains & Purification	2 447 623 341		89 386 265	(11 009 491)	176 519 775		2 702 519 891	(624 021 870)	(90 765 107)	6 845 084	(1 354 747)	(2 531 142)	(555 927)	(711 472 707)		1 991 047 724
Under construction	579 228 584		(89 386 265)		(238 143 664)	206 701 550	458 400 203	-	-	-	-	-	(2 467 635)	(2 467 635)	-	455 932 568
	3,758,282,073	-	-	(15,483,401)	(18)	206,701,550	3,449,500,205	(709,704,672)	(100,855,456)	10,329,497	(1,354,747)	(2,785,758)	(6,673,840)	(811,044,177)	-	2,638,456,028
Total carried forward	3,795,859,192	-	-	(15,483,401)	(18)	206,701,550	3,487,077,325	(720,777,957)	(102,052,347)	10,329,497	(1,354,747)	(2,804,193)	(6,673,840)	(823,333,387)	-	2,663,743,937

ILEMBE DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2021

	Cost / Revaluation							Accumulated Depreciation									
	Opening Balance R	Additions R	Change in policy/prior year errors	Disposals R	Transfers	Under Construction R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Change in policy/prior year errors	Change in estimate	Impairment loss/Reversal of impairment loss R	Closing Balance R	Transfers R	Carrying Value R
Total brought forward	3,795,859,192	-	-	(15,483,401)	(18)	206,701,550	3,487,077,325	(720,777,957)	(102,052,347)	10,329,497	(1,354,747)	(2,804,193)	(6,673,840)	(823,333,387)	-	2,663,743,937
Other Assets																
Office Equipment	4 519 657	13 660 00		(123 584)			4 409 733	(1 908 976)	(399 995)	101 503		(33 291)	(2 120)	(2 242 879)		2 166 854
Machinery & Equipment	4 114 342	1 489 450 00		(126 835)			5 366 959	(1 524 921)	(466 105)	215 259		(91 195)	(75 868)	(1 942 830)		3 424 129
Transport Assets	21 080 934	13 997 995 00		-			35 078 929	(5 618 968)	(2 781 984)	-			(8 400 952)			26 677 977
Computer Equipment	3 955 335	2 412 933 22		(1 071 127)			5 297 213	(2 548 443)	(786 046)	868 205		(43 224)	(1 921)	(2 493 488)		2 803 725
	33,670,268	17,914,038.22	-	(1,431,546)	-	-	50,152,834	(11,861,308)	(4,434,133)	1,184,967	-	(167,711)	(88,910)	(15,135,103)	-	35,017,729
Finance Lease Assets																
Other Assets	43 240 256	9 281 380 40		(3 125 336)			49 396 301	(8 635 131)	(15 367 178)	3 125 444				(20 876 865)		28 519 436
	43,240,256	9,281,380.40	-	(3,125,336)	-	-	49,396,301	(8,635,131)	(15,367,178)	3,125,444	-	-	-	(20,876,865)	-	28,519,436
Total	3,372,769,717	27,195,418.62	-	(20,040,281)	(18)	206,701,550	3,586,626,459	(741,274,396)	(121,853,658)	14,639,908	(1,354,747)	(2,971,904)	(6,762,750)	(859,345,355)	-	2,727,281,102

ILEMBE DISTRICT MUNICIPALITY - DC29
APPENDIX C
UNAUDITED SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2022

	Cost / Revaluation						Accumulated Depreciation					
	Opening Balance R	Additions R	Change in policy/prior year errors/ Transfers	Under Construction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposal R	& Impairment Loss/Reversal	Closing Balance R	Carrying value R
Executive & Council	45,515,512	9,349,216	-		(2,383,231)	52,481,497	(11,416,904)	(7,470,132)	1,806,008	(137,355)	(17,218,382)	35,263,114
Finance & Admin	47,353,812	415,524	23,250		(737,279)	47,055,307	(16,529,873)	(2,080,310)	629,941	(369,862)	(18,350,104)	28,705,203
Waste Management	288,580,111	-	1,881,249		(6,269,473)	284,191,887	(97,104,375)	(10,435,854)	5,745,283	(390,297)	(102,185,243)	182,006,644
Water	2,702,519,891	-	209,279,557	-	(19,756,883)	2,892,042,565	(711,472,167)	(94,157,585)	16,550,095	(3,395,446)	(792,475,103)	2,099,567,462
Under Construction	455,932,568	-	(211,184,056)	216,542,015	-	461,290,526	-	-	-	-	-	461,290,526
Other	44,256,930	-	-	-	-	44,256,930	(20,354,491)	(14,703,390)	-	23,032	(35,034,760)	9,222,171
Total	**3,584,158,824**	**9,764,740**	**-**	**216,542,015**	**(29,146,867)**	**3,781,318,712**	**(856,877,721)**	**(128,847,271)**	**24,731,327**	**(4,269,927)**	**(965,263,591)**	**2,815,055,118**

ILEMBE DISTRICT MUNICIPALITY - DC29
APPENDIX D
UNAUDITED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
as at 30 June 2022

2021 Actual Income R	2021 Actual Expenditure R *Restated*	2021 Surplus / (Deficit) R		2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus / (Deficit) R
47,847,899	29,218,379	18,629,519	Executive & Council	45,364,579	29,694,208	15,670,371
188,782,075	328,876,487	(140,094,412)	Finance & Admin	156,685,306	294,764,288	(138,078,982)
11,664,589	162,965,358	(151,300,768)	Planning & Development	8,734,528	167,924,244	(159,189,716)
50,854,639.54	36,312,876	14,541,763	Community & Social Services	48,247,937	38,815,945	9,431,992
196,766,262	52,494,108	144,272,154	Waste Management	223,702,605	175,991,852	47,710,753
737,777,568	412,593,801	325,183,767	Water	680,652,192	283,903,623	396,748,569
1,233,693,033	**1,022,461,009**	**211,232,021**	**Total**	**1,163,387,146**	**991,094,159**	**172,292,986**

GLOSSARY

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

Notes

APPENDICES:

- 2022/23 ANNUAL PERFOMANCE REPORT
- TOP LAYOR SDBIP 2022/2023 ANNUAL PERFOMANCE
- TECHNICAL SERVICES DEPARTMENT: 2022/2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
- FINANCE DEPARTMENT: 2022/2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
- CORPORATE SERVICE DEPARTMENT: 2022/2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
- COMMUNITY SERVICES DEPARTMENT: 2022/2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
- ENTERPRISE ILEMBE: 2022/2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
- ENTERPRISE ILEMBE 2022/2023 ANNUAL REPORT
- ENTERPRISE ILEMBE: 2022/2023 AUDITED ANNUAL FINANCIAL STATEMENTS

ILEMBE DISTRICT MUNICIPALITY

KING SHAKA

ILEMBE UMASIPALA WESIFUNDA

2022/2023

ANNUAL PERFORMANCE REPORT FOR ILEMBE DISTRICT MUNICIPALITY

JULY 2022 – JUNE 2023

VERSION – AUDITOR GENERAL

FINAL AUDITED REPORT

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1. AFS	-	Annual Financial Statements
2. AG	-	Auditor-General
3. BAC	-	Bid Adjudication Committee
4. BEC	-	Bid Evaluation Committee
5. BSC	-	Bid Specification Committee
6. CLO	-	Community Liason Officer
7. COGTA	-	Cooperative Governance and Traditional Affairs
8. CPG	-	Contract Participation Goal
9. DIF	-	District Intergovernmental Forum
10. DWS	-	Department of Water and Sanitation
11. EI	-	Enterprise iLembe (The Entity)
12. EIA	-	Environmental Impact Assessment
13. EPWP	-	Extended Public Works Programme
14. EXCO	-	Executive Committee
15. ICT	-	Information and Communication Technology
16. IDM	-	iLembe District Municipality
17. IDP	-	Intergrated Development Plan
18. IPMS	-	Individual Performance Management System
19. KPA	-	Key Performance Area
20. KPI	-	Key Performance Indicactor
21. LED	-	Local Economic Development
22. LPA	-	Local Public Administration
23. LR	-	Labour Relations
24. MANCO	-	Management Committee

25. MFMA	-	Municipal Finance Management Act
26. MIG	-	Municipal Infrastructure Grant
27. MSA	-	Municipal Systems Act
28. mSCOA	-	Municipal Standard Chart of Accounts
29. NSNP	-	National School Nutrition Programme
30. OHS	-	Occupational Health & safety
31. ORG	-	Organisational
32. OSS	-	Operation Sukuma Sakhe
33. PMS	-	Performance Management System
34. POE	-	Portfolio of evidence
35. Q1	-	First quarter - July to September
36. Q2	-	Second quarter- October to December
37. Q3	-	Third quarter - January to March
38. Q4	-	Fourth quarter – April to June
39. RASET	-	Radical Agrarian Social Economic Transformation
40. RBIG	-	Regional Bulk Infrastructure Grant
41. RMC	-	Risk Management Committee
42. SCM	-	Supply Chain Management
43. SDBIP	-	Service Delivery and Budget Implementation Plan
44. SETA	-	Sector Education and Training Authority
45. SMME's	-	Small Medium Micro Enterprises
46. VIP	-	Ventilated Improved Pits
47. WSP	-	Workplace Skills Plan
48. WULA	-	Water Use License Application
49. WSIG	-	Water Services Infrastructure Grant

1. INTRODUCTION

The Organisational Performance framework must be reviewed annually and adopted where necessary as per the Municipal Systems Act, 32 of 2000, chapter 6 guidelines. Council adopted the reviewed Framework on 30th May 2023. Organisational Performance within iLembe District Municipality is an integral part of the implementation of the Integrated Development Plan – operational plans that are monitored and progress is reported annually against the targets set out as well as challenges experienced during the 2022/2023 financial year.

The District has committed itself in trying its best to obtain a Clean audit opinion for both financial and performance information. This is done by meeting all legislative requirements and full compliance is adhered to, as well as strict internal controls are maintained.

Management plays a major role in improving the system by adhering to the set deadlines and timeframes and ensuring all portfolios of evidence and backup documents are uploaded and provided when actual progress is reported. The PMS automated system which is module of our financial system Munsoft together with the service provider Action IT is fully implemented. Management are reporting on actuals and all portfolios of evidence are uploaded on the system. The Internal audit and the Auditor General have been trained and auditing has commenced on the system during the last financial year quarterly and annually. All reports are submitted to Management for discussion and input to ensure challenges are noted and if there are any recommendations or solutions before submission to relevant committees. This also helps in improving the reports as well as there are discussions and early alerts to challenges experienced by departments, and to be proactive before quarterly and annual reports are due.

2. PERFORMANCE MANAGEMENT PROCESSES

The Municipal Systems Act (MSA) of 2000, Section 38(a) mandates municipalities to establish Performance Management Systems, and the Planning and Performance Management Regulations of 2001, describes the municipality's Performance Management System (PMS) as consisting of a framework that articulates and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed as well as to determine the roles of different stakeholders

Performance Management is a process that measures the implementation of an organisation's strategy. It provides a mechanism to measure whether targets to meet its strategic objectives set by municipalities and its employees are met. The PMS implementation and management process is carried out at iLembe in different phases namely:

Phase 1: Planning
Phase 2: Monitoring and managing performance information
Phase 3: Performance measurement and analysis
Phase 4: Performance review and improvement
Phase 5: Performance report

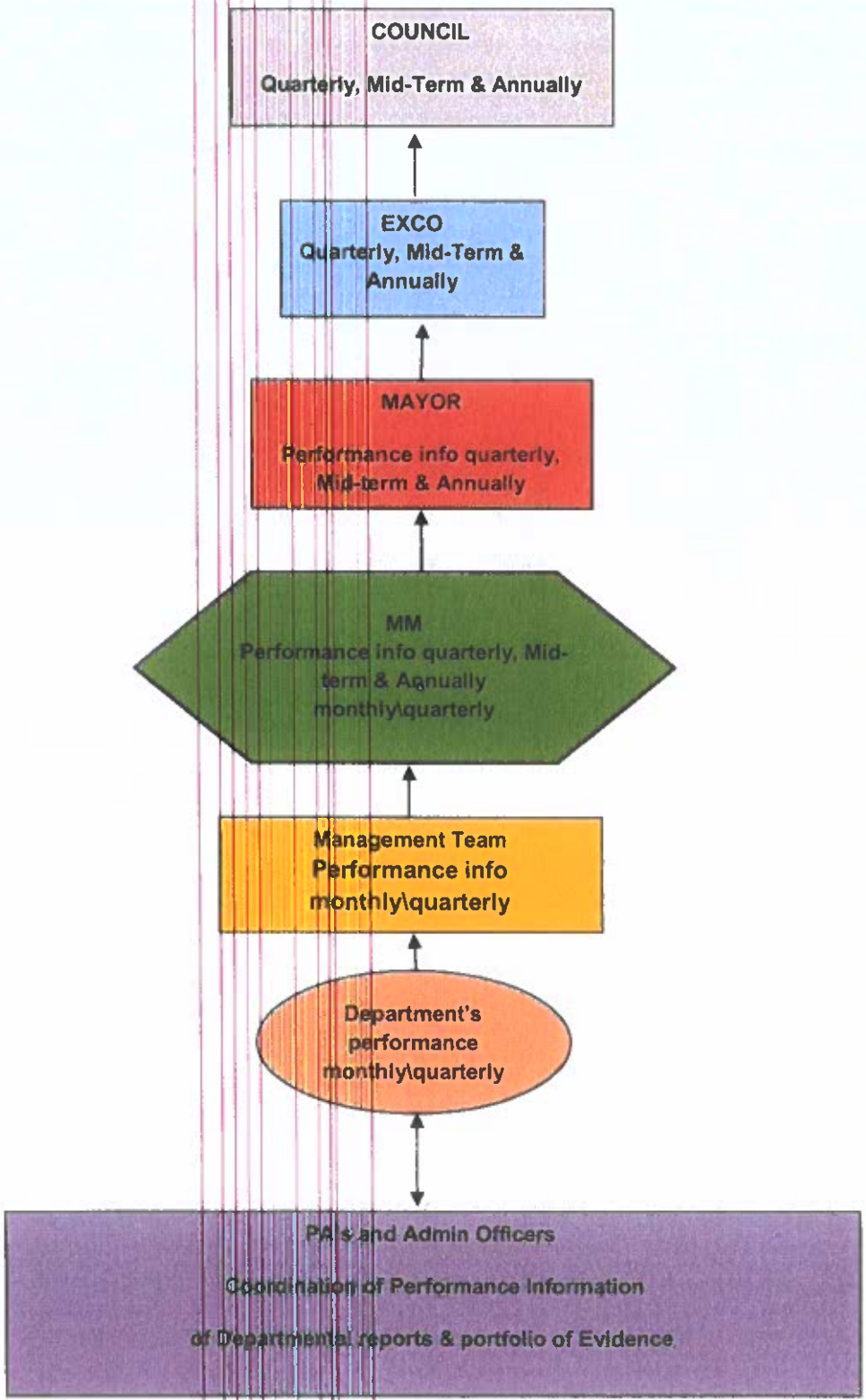
Co-ordination involves the overall responsibility of being the custodian of the District's Performance Management System and managing the system on behalf of the Municipal Manager. This is a strategic function which resides in the Office of the Municipal Manager.

The co-ordination of the implementation phases of performance management is the function of the PMS Unit who are responsible for the following core activities:

- Co-ordination of the development and implementation activities of the organisational PMS, through interaction with all relevant stakeholders;
- Ensuring and overseeing the implementation of the Performance Management Framework and compliance to all performance legislative requirements in respect of the implementation of the PMS;
- Providing regular support and capacity to the different departments in developing departmental scorecards;

- Continuously providing technical support to the Municipal Manager and the Senior Management team with implementation, assessment, review, monitoring and information management;
- Providing capacity for analysing organisational performance information submitted by Senior Managers on a quarterly, mid-term and annual basis in preparation for reporting;
- Responsible for co-ordination and compiling the MSA, Section 46 Annual Performance Report;
- Ensuring that all quarterly, mid-term and annual organizational performance reports are submitted to relevant stakeholders timeously, for example, quarterly, mid-term and annual performance reports to EXCO, Council, the Auditor-General, MEC of Cooperative Governance and Traditional Affairs (COGTA) and the public (through website; print media notification and copies are made available for viewing at municipal offices).

The performance monitoring flow chart is as follows:



The Municipal Systems Act of 2000, section 46 (2), requires the municipality to compile an Annual Performance Report that forms part of the Annual Report prepared in terms of the Municipal Finance Management Act. This report therefore focuses on the Top layer which is the Organisational Objectives, and the achievements thereof made by the iLembe District Municipality in the 2022/2023 financial year. It also provides feedback on the targets as set out in the approved Top Layer as well as the Service Delivery and Budget Implementation Plan used to monitor performance at an operational level.

3. PERFORMANCE AND SUPPORTING INFORMATION

The monitoring system places responsibility on each department and individual employees to collect relevant data and information to support the monitoring process. Evidence of performance is gathered and presented to substantiate claims of meeting (or not meeting) performance standards. All portfolios are verified against the reported actual, as it confirms the status of targets met and not met.

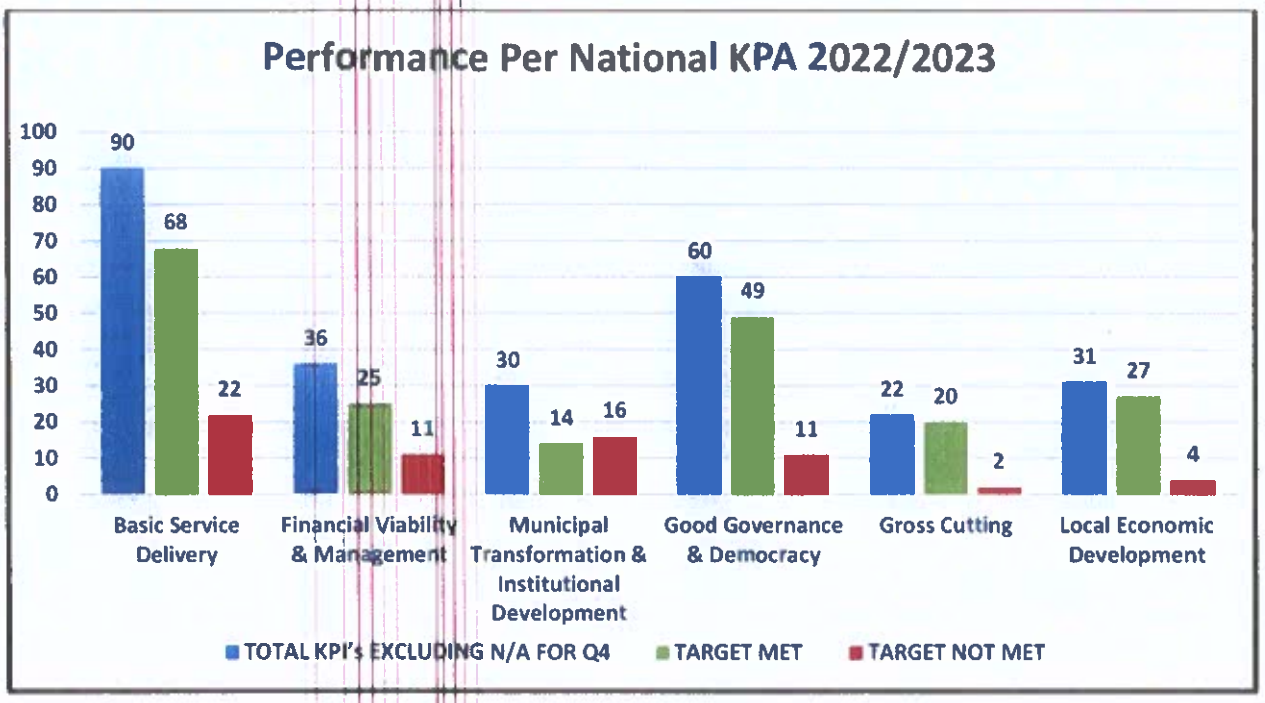
4. TOP LAYER

The Top Layer is a layered plan, with the Top Layer dealing with consolidated service delivery targets and linking these targets to departmental Service Delivery and Budget Implementation Plans.

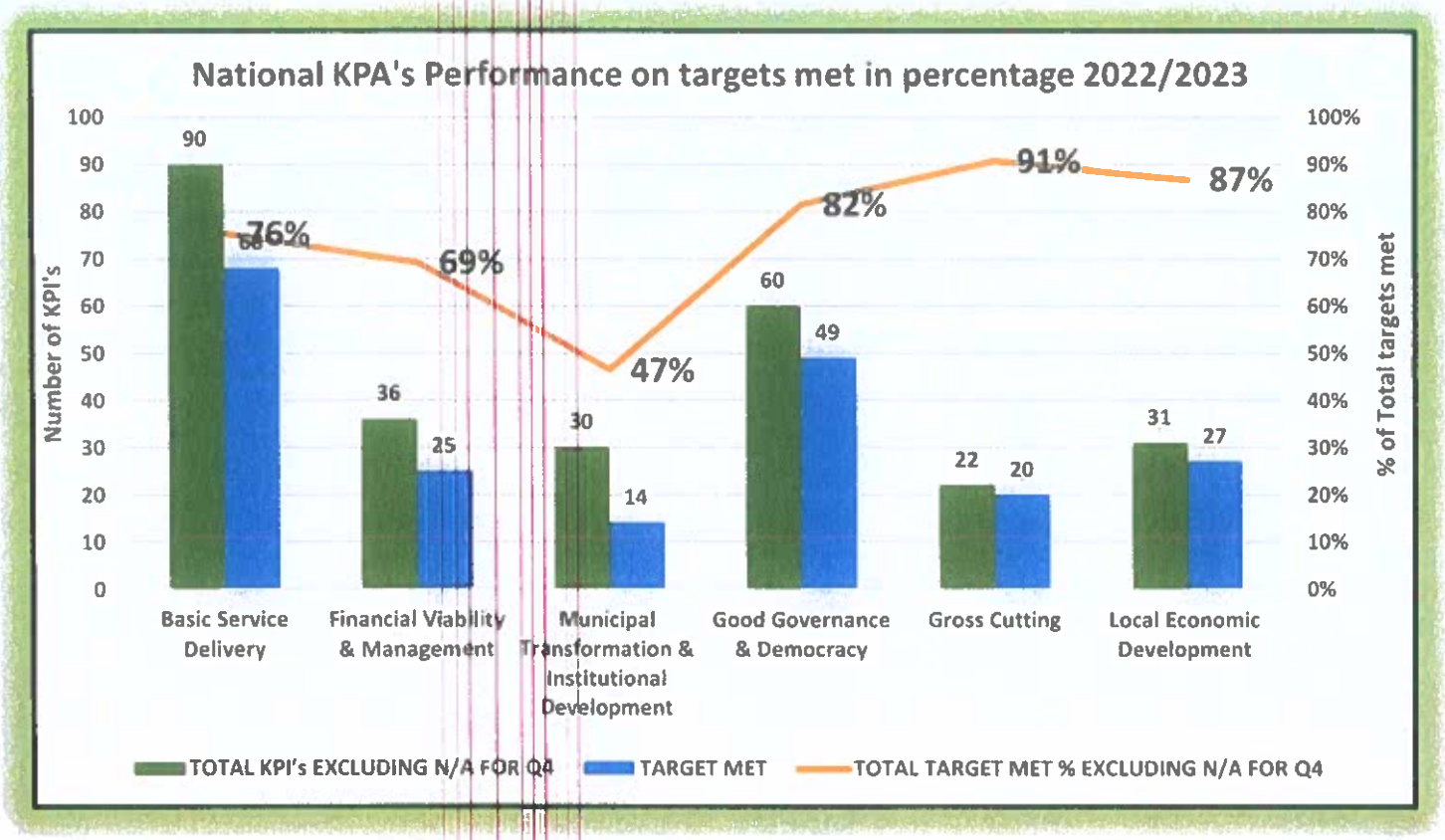
The following table indicates the National Key Performance Areas (NKPA's) which includes the number of Key Performance Indicators (KPI's) on the Top Layer and departmental Service Delivery and Budget Implementation Plans (SDBPI's).

NATIONAL KPA'S	TOP LAYER SCORECARD	DEPARTMENTAL SDBIP'S	GRAND TOTAL OF TOP LAYER & DEPARTMENTAL
Basic Service Delivery	13	78	91
Municipal Financial Viability & Management	11	27	38
Municipal Transformation & Institutional Development	20	10	30
Good Governance & Public Participation	31	29	60
Cross Cutting	21	1	22
Local Economic Development	20	11	31

The following diagram depicts the performance per national KPA:



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
Basic Service Delivery	90	68	76%
Municipal Financial Viability & Management	36	25	69%
Municipal Transformation & Institutional Development	30	14	47%
Good Governance & Public Participation	60	49	82%
Cross Cutting	22	20	91%
Local Economic Development	31	27	87%
Overall Organisational Performance	**269**	**203**	**75%**



COMPARISON OF PERFORMANCE OF THE NATIONAL KPA'S FROM THE PAST THREE YEARS			
NATIONAL KPA'S	2020/2021	2021/2022	2022/2023
Basic Service Delivery	64%	72%	76%
Municipal Financial Viability & Management	73%	64%	69%
Municipal Transformation & Institutional Development	73%	44%	47%
Good Governance & Public Participation	79%	82%	82%
Cross Cutting	New	New	91%
Local Economic Development	86%	84%	87%

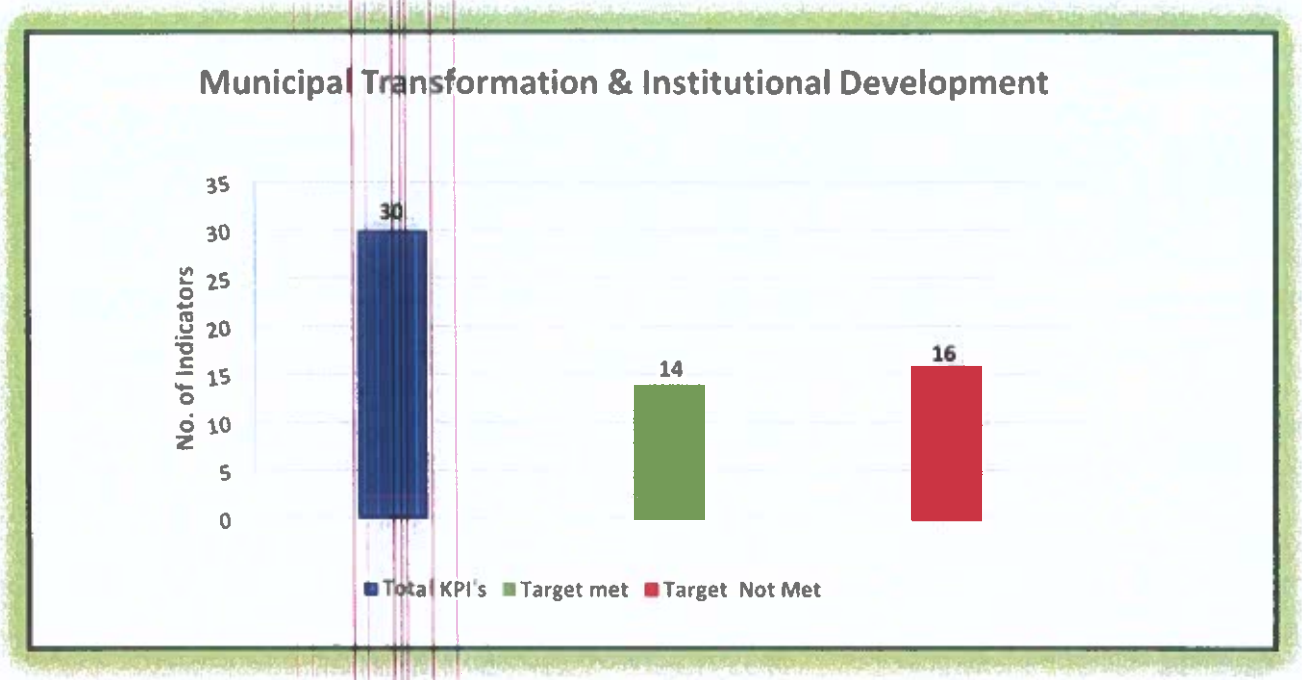
Please note that: Target met rating is made up of the following;

KPI met – G

KPI well met – G2

KPI extremely well met – B

5.1 MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
MUNICIPAL TRANSFORMATION & INSTITUITIONAL DEVELOPMENT	30	14	47%

The Human Resources Unit predominant function is to establish an efficient and productive administration, which is accomplished by ensuring all policies are aligned with the legislation. Managing the staff component of the municipality, implementing the employment equity plan, improve the capacity of staff to deliver services, ensure the municipality has well skilled and qualified employees, ensure the municipality provides a safe and working environment, promote a safe and healthy work environment in terms of the Occupational Health and Safety Act and other relevant legislation.

To ensure the well-being of employees. The Support Services Unit ensures effective and efficient document management systems are in place, governance through regular Council meetings, by supplying resources and support services to all EXCO, Council and portfolio committee meetings.

The Legal Unit provides legal advice and ensure resolution of legal matters against and/or on behalf of the municipality, by limiting losses to the municipality – legal risk mitigation, ensure the municipality is legally protected in its agreements with service providers.

The ICT unit provides an innovative, effective and efficient information and communication technology service. The department does this by updating and reviewing policies annually, enabling the achievement of the municipal objectives as per the IDP, reduces costs of electricity consumption and greenhouse emissions. To align ICT objectives with best practices, manages the provision of the telephone communications and to ensure effective and efficient functioning of ICT.

5.1.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET MET

The Human Resource Unit has reviewed the staff establishment and it was adopted within twelve (12) months of the new Council inauguration by end September 2022. The report on the Employment Equity Plan was submitted to Department of Labour by the 15th January 2023. Four (4) quarterly reports on the implementation of District Human Resource Development Strategy/Plan were prepared. A workplace Skills Plan (WSP) & Annual Training Report (ATR) were completed and submitted to LGSETA by the required deadline 30th April 2023. A total of four (4) employee wellness programmes were held. Twelve (12) monthly reports on the implementation of the Occupational Health & Safety Plan and Policy were prepared.

The Support services Unit assist with co-ordination of all meetings, Council meetings, a total of fifteen (15) meetings were held as of end June 2023 against a target of eleven (11), target exceeded due to more special meetings held. Four (4) MPAC meetings were held. Twelve (12) monthly fleet management reports were prepared and submitted to relevant committees.

The ICT Unit has fully implemented the telephone management system at remote offices Sundumbili & Maphumulo. Four (4) quarterly reports were prepared on the maintenance of ICT infrastructure.

The Legal Unit is on track with targets, percentage of legal cases resolved (excluding cases which become the subject of contested litigation) is at one hundred percent (100%). Number of days taken for drawing up and vetting service level agreements and contract is at four (4) days against a target of thirty (30) days and target was achieved in April 2023, due to prompt response to the matters of vetting. Days taken to respond to legal matters (formal objection/service level agreements) is at twenty-two (22) against a target of thirty (30), and target was achieved in

March 2023 because legal cases were served directly to the legal office. The objections were lodged sooner than when cases are served at registry first, before coming to the legal office.

5.1.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET NOT MET

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	
TL024/D73 – Percentage of budgeted posts filled as per the approved staff establishment – actual is 81% against a target of 85% - Challenge is that there is no control of terminations and there has been a high volume of terminations in this financial year	Target to be met in Quarter 1 of the new financial year as posts were advertised and the recruitment processes are currently underway.
TL026/D76 - Percentage municipality's budget actually spent on implementing the approved WSP – Actual is 0,25% against a target 1%. Technical Services trainings were not approved (plumbing, water and wastewater). Hence, training budget could not be spent. The procurement process starting from the existing panel of service providers to the full advertisement and the SCM selection process through Bid Committees, consistently had 1 service provider who responded. Approval was not granted on the grounds of the risk on the capacity of the service provider to conduct all the trainings listed.	Re-advertisement to be done. The planned trainings that were not done in the 2022/23 financial year will be done in the new financial year and budget will be spent accordingly.
TL027/D77 - Percentage of employees trained in accordance with the WSP - actual is 5.75% against a target of 90% - Technical Services trainings were not approved (Plumbing, water and wastewater). Only 1 service provider was approved for all trainings.	All trainings that were not done in the 2022/23 financial year will be done in the new financial year.

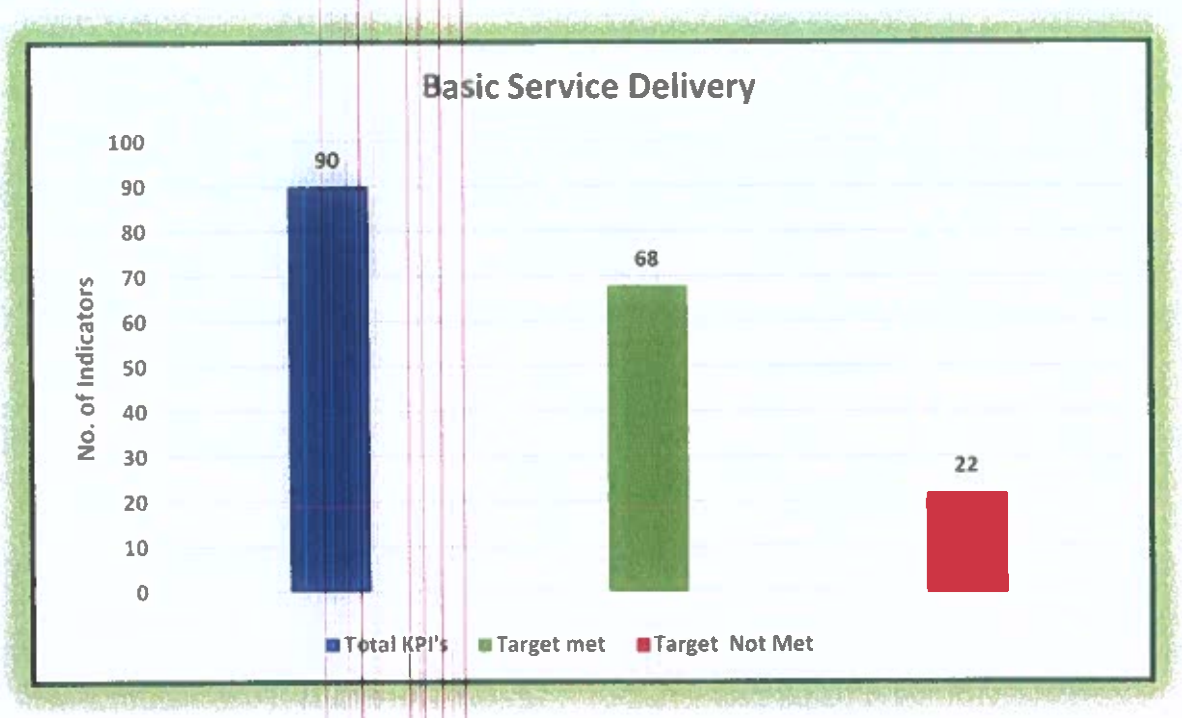
Although 5 employees were trained in June 2023 but only 2 were added on the list of trained employees as 3 employees were already trained. It should be also noted that 36 employees trained were not on WSP. The procurement process starting from the existing panel of service providers to the full advertisement and SCM selection process through Bid Committees, consistently had 1 service provider who responded. Approval was not granted on the grounds of the risk on the capacity of the service provider to conduct all the trainings listed.	
TL029/D82 - Number of activities completed on Implementation of IPMS to Task Grade 14- 15 – actual is 0 against of 4. Report prepared but not submitted to MANCO. The main challenge with the implementation is the limited support received from middle managers. Performance reviews could not be done because Managers had not signed Performance Plans with the Senior Managers and Municipal Manager.	The Human Resources: Individual Performance Management System will set deadline dates for the signing of Performance Plans, if it is not done, the matter will be escalated to MANCO, EXCO and Council.
TL032/D86 - Number of Exco meetings held – actual is 20 against a target of 24 - Reason for not meeting the target - Council was already on recess on the date of the second meeting of December 2022, The Exco meetings of February, April and May 2023 sat only once. This was as per the Chairperson request due to other Council commitments.	Going forward, we will ensure that meetings are held in line with the legislation.

TL035/D96 - Number of ICT strategy project plans developed by deadline (Internal Audit System & Network Infrastructure) – actual is 0 against a target of 2 - The Internal Audit System project was not achieved due to delays in the approval of requisitions to start the SCM processes. As at end of June 2023, the project was at evaluation stage after receipt of proposals from service providers. The Network Security project under Network Infrastructure project was not achieved due to delays in the approval of requisitions to start the SCM processes. As at end of June 2023, the project was at adjudication stage after the BEC concluded the evaluation of proposals from service providers.	Approvals of projects by Senior Management are crucial to the successful implementation of these projects in order to achieve the project objectives.
TL036/D97 - Number of reports on the implementation of the ICT Governance framework – actual is 0 against a target of 2 - Due to unavailability of budget, the target could not be achieved in the current financial year. This is a strategic KPI which is part of the implementation plan, and therefore cannot be taken out even though the budget was not available in the 2022/2023 financial year. The budget limitations led to it being deferred for implementation in the 2023/2024 financial year.	Budget provision has been made for the new financial year to achieve the target
D70 - Number of reviewed/developed policies submitted to Exco and Council – Actual is 0 against a target of 4. The draft policies were developed and consulted with all stakeholders. Council requested a detailed workshop before adopting. The scheduled sessions	Rescheduling of Council workshop and Council meeting to adopt policies to be done within the first quarter of 2023/2024.

were postponed due to other Council pressing issues.	
D71 Number of activities conducted to ensure that developed policies are submitted to Exco and Council - actual is 2 against a target of 3 - Policies have been reviewed, however consultations with the Unions are still in progress which delayed the process of all reviewed policies being submitted to EXCO and Council for approval.	Final report to be presented at EXCO and Council after consultations are done in the next financial year.
D74 - Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan – actual is 0 against 1. The equity target is a strategic objective that is prescribed through legislation. The employment equity plan of the Municipality requires 1 person in terms of the designated group. The designated group consist of females, Coloureds, Indians, or whites. There is already 1 female, that is Senior Manager: Technical Services	This target is already met and will be removed in the 2023/2024 financial year.
D78 - Number District Human Resource Plan reviewed and adopted – actual is 0 against target of 1. The Draft District Human Resource Development Strategy/Plan has been reviewed and consulted with all stakeholders. Council requested a detailed workshop before adopting the document. The scheduled sessions were postponed due to other Council pressing issues.	Rescheduling of the Council workshop and the Council meeting will be done to adopt policies to be done within the first quarter of 2023/2024 financial year.
D84 - Review and adoption of Occupational Health & Safety Plan and Policy – Actual is 0 against a target 1	OH&S Plan and Policy to be adopted by Council in July 2023.

- OH&S Plan and Policy has been reviewed, however it has not yet been adopted due to challenges being experienced with the sitting of Council meetings.	
D87 - Number of Portfolio Committee meetings held (Finance, EDP, LPA & LR, Infrastructure & Technical) - actual is 37 against a target of 39 - The EDP meeting scheduled for May 2023 did not sit due to quorum, but the notice was sent out. The ITPC scheduled for March 2023 was forwarded to the first week of April 2023 due to Council by - elections in Mandeni.	Going forward, we will ensure that meetings are held in line with the legislation.
D89 - Number of Audit Committees meetings held – actual is 8 against a target of 9 - The original target which is 4 was met. But the target was adjusted to 9. The anticipated meeting for June 2023 did not sit.	Going forward, we will ensure that meetings are held in line with the legislation.
TL117/D90 - Number of feasibility study completed to acquire new building – Actual is 0 against a target of 1 - The exercise / project to be performed is highly specialized and technical. The procurement process of the suitable service provider was not concluded at the close of the financial year.	The feasibility study will be completed in the next financial year.
D32– At Enterprise iLembe - Percentage of training budget spent – actual is 98% against a target of 100%. Target was not met because there was only R3000 thousand left from the budget which could not be utilised for training purpose.	Budget to be fully utilised in the new financial year

5.2 BASIC SERVICE DELIVERY



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
BASIC SERVICE DELIVERY	90	68	75%

The core function of the municipality is to ensure sustainable provision of water and sanitation services and improve access to these basic services thereby reducing backlogs. The provision of water must be of excellent quality that will meet or exceed the National Standards. Response time to water and sanitation interruptions is crucial for services reinstated therefore specific timeframes have been set that must be adhered to and monitored for continuous customer service.

The table below shows the number of households having VIP toilets constructed in the 2022/2023 financial year:

Point to note: *There are no targets for households having water connections in 2022/2023 financial year.*

TOP LEVEL SUMMARY OF 2022/2023 HOUSEHOLD (HH) BENEFICIARIES					
	TOTAL NUMBER TARGET- ORIGINAL	TOTAL NUMBER TARGET – 1st ADJUSTMENT	TOTAL NUMBER TARGET – 2nd ADJUSTMENT	ACTUAL NUMBER CONNECTED/ CONSTRUCTED	PERCENTAGE ACHIEVEMENT AGAINST TARGET
WATER	0	0	0	0	0
SANITATION	1 760	1 845		1 918	104%

To ensure sustainable provision of sanitation services and improve access to basic services, the total number of VIP toilets constructed are 1 918.

TL005/D147/TS02 - Sanitation original target was 1 760, final adjustment changed to 1 845.

D192/TS47 – Groutville D Waterborne Sanitation- original target was 290 households which was removed during first adjustment, as 290 household connections are done by KwaDukuza Municipality

5.2.1 EXPENDITURE

The overall expenditure on water and sanitation projects is as follows:

Capital & Operational Grants Expenditure				
SOURCE OF FUNDING	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL EXPENDITURE TO DATE	% SPENT TO DATE AGAINST TOTAL BUDGET
Municipal Infrastructure Grant (MIG)				
Water	87,485,352	91,560,168	90,477,944.21	99%
Sanitation	83,723,346	70,266,290	72,908,198	105%
Water Services Infrastructure Grant (WSIG) - Refurbishment/Replacement of water projects	62,086,956	59,570,965	R56,250,157.59	94%
MIG Operational Grant - VIP toilets	21,739,126	29,390,016	29,725,472,70	101%

5.2.2 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET MET

To provide excellent water quality that meet or exceed national standards and to monitor wastewater quality, four (4) quarterly reports were prepared as of end June 2023 for blue drop and green drop assessment status.

As part of the Extended Public Works Programme through water, sanitation infrastructure and service delivery efforts, 1204 people were employed from all local municipalities within the District, against the target of 1 200. As per the Auditor - General recommendation in 2018/2019 financial year, contracts, attendance registers and timesheets are kept by Technical Services as evidence to support the reported jobs created and is available for confirmation by the department.

Four (4) quarterly reports were prepared on monitoring of the Siza water concession contract as per target as well as progress on the replacement and upgrading of ageing infrastructure.

A total of five (5) sites were installed with the telemetry system.

Turnaround time for reinstating water services within 48 hours and for sanitation services within 24 hours is at 100%.

WATER PROJECTS

The following information for Technical Service's department expenditure is considered as target met, as it is within the acceptable variance of 10% as per the PMS framework;

Municipal Infrastructure Grant (MIG) as at 30 June 2023;

TL1/D172/TS27 - Rand value of MIG expenditure on water projects is at R90,477,944.21 when compared to a budget of R91,560,168, the annual expenditure is 99%. Point to note: Inyoni project valued to R435,785 was removed from the SDBIP, as there were delays in appointment of the Contractor and is awaiting approval by Department of Human Settlements for the appointment of the Contactor, therefore no progress commenced as a result the project was removed from SDBIP. However, the expenditure that is part of the capital expenditure report is for design.

The following MIG water projects are on track as per set target as follows;

Macambini Water Supply;

- D163/TS18 - Phase 5A - TS/217/2021 – Construction of Bulk pipeline is 100% complete
- D164/TS19 - Phase 5B - TS/218/2021 – Construction of 2.5 ML Reservoir is 100% complete.

- D165/TS20 - Macambini Water Supply - Phase 5C - Tender Advert and opening register completed.

D166/TS21 - Ndulinde Phase 4D - 1Ml and 3.5Ml Reservoir Construction - TS 222/2021- Construction is at 50%, as per target.

The projects below are 100% complete as per set target:

D169/TS24 - Masibambisane Regional Water Supply - Detailed design report and tender document finalised

D170/TS25 - Ntunjambili Bulk Water Supply Scheme – Four quarterly progress reports prepared on preliminary design - 100% complete, EIA and WULA are in progress.

SANITATION PROJECTS

TL8/D217/TS72- Rand value of MIG expenditure on sanitation projects is at R72,908,198 when compared to budget of R70,266,290, the annual expenditure is 104%.

In terms of the sanitation projects, Ref TL: 008, the projects below are at construction stage details are as follows:

D193/TS48 – Groutville D Waterborne Sanitation- Construction of bulk sewer in 1No. 600m³/Day Package Wastewater Treatment Plant and Mnyundwini, Njekane and Etsheni Pumping Station - TS/210/2020 (Included is the balance of scope for TS/179/2017) was 100% complete, in December 2022 as per target.

D194/TS49 - Groutville D Sanitation Ward 10 - TS/225/2022 - Construction is 45%, when compared to target of 30%

The projects below are on track as four (4) quarterly progress reports were prepared as per the annual target:

- D195/TS50 - Driefontein Water Borne Sewer – Detailed design is complete. The project is awaiting DWS to issue WULA approval. Quarterly progress reports were prepared.
- D196/TS51 - Driefontein Water Borne Sewer - Environmental Authorisation is 100% complete. Water Use License Application resubmitted to DWS, awaiting DWS to issue approval. Quarterly progress reports were prepared

D197/TS52 - Maphumulo Town Waterborne Sewer – quarterly reports on detailed design were prepared.
D198/TS53 - Maphumulo Town Waterborne Sewer – Two reports on WULA & EIA were prepared.
D203/TS58 – DARNAL WWTW Upgrade – 100% construction completed in December 2022 and close out report was submitted.

TL7/D191/TS46 – Rand value of MIG expenditure on VIP toilets is R29,725,472.70, when compared to target of R29,390,016, annual expenditure is at 101%.

TL5 - VIP toilets – MIG operational projects are as follows;

D188/TS43 – Ndwedwe - target changed from 490 to 615 during the final adjustment, annual actual is 622

D189/TS44 - Mandeni – target changed from 490 to 615 during the third adjustment, annual actual is 648.

D190/TS45 - Maphumulo - target changed from 490 to 615 during the third adjustment, annual actual is 648.

There are 89.18% households having access to basic level of sanitation, against a target of 89.10%.

These VIP toilets constructed have an impact on the sanitation backlog eradication that decreased by 1%, when compared to target of 0.96%. The overall achievement against the annual target is 104% for sanitation services, obtained for the 2022/2023 financial year. Reason for exceeding target is due to the project managers requesting for an increase in the unit cost due to increase in fuel, steel and other building material. The request for an increase in the unit cost was delayed and only implemented from January 2023. This allowed for the savings in the first two quarters to be ploughed back to construct more units.

The backlog eradication calculation is based on the total number of households in the District of 191 369 by Statistics SA, Community Survey 2016. This is the official and latest information available for use.

REFURBISHMENT/REPLACEMENTS PROJECTS

Majority of refurbishment and replacements of ageing infrastructure projects are on track and details are as follows;

Water Services Infrastructure Grant (WSIG) - as at 30 June 2023;

D178/TS33 - Rand value of WSIG expenditure on water projects is at R56,250,157.59 when compared to a budget of R59,570,965.00, annual expenditure is at 94%.

- D173/TS28 - Glenhills - Construction is at 86%, when compared to target of 85%. Project is progressing well.

- D174/TS29 - Padianager Pumpstation and Pipeline – Construction was 100% complete in December 2022 as per target. Certificate of practical completion provided.
- D175/TS30 - Sonkombo Water Reticulation - Detailed Design, Bid Specification Committee report for the appointment of Contractor and Tender document finalised as per target. Project is under tender evaluation for the appointment of contractor.
- D176/TS31 - Mandeni Reticulation refurbishment – Activities conducted, appointment of Service Provider, Concept and Preliminary Design Report prepared, Tender Document and BSC report for the appointment of Contractor.
- D177/TS32 – Twelve (12) Contract Administration Reports were prepared.

OTHER REFURBISHMENT/REPLACEMENTS PROJECTS

Majority of refurbishment and replacements of ageing infrastructure projects are on track:

Internal Funding Projects;

- D183/TS38 - Wosiyane Water Scheme Rehabilitation - Construction was 100% complete in December 2022.
- D184/TS39 - Pump Replacement – Quarterly reports were prepared.
- D186/TS41 - Leak Detection Equipment - Leak Detection is part of the Water Conservation and Demand Management programme as it aims at quick detection of invisible water losses underground. Leak detection equipment procured in March 2023, which was earlier than due date, 30 June 2023. Total cost was less than the budgeted amount and therefore a saving was realized.

Municipal Infrastructure Grant Projects;

- D201/TS56 – four (4) quarterly progress reports were prepared on all projects implemented as part of the replacement and upgrading of ageing infrastructure.
- D206/TS61 – Ndwedwe town bulk sewer – Business Plan and Service Provider appointed.
- D207/TS62 – KDM Sewer Mains Replacement Phase 1A, 1B & IC, Service provider appointed, design report prepared and three tender documents prepared.
- D208/TS63 - The service provider was allocated from the current panel of service providers. This panel of service providers deals with all mechanical, maintenance or repairs related activities and have gone through the processes and therefore can be appointed to make the service delivery more efficient in terms of fast-tracking commencing and completion of projects as the panel of service providers are pre-qualified.

- D209/TS64 - Mechanical Screen replacement – refurbishment is 100% complete. Certificate of completion provided.
- D211/T66 - Replacement of Filter Media - KZ294, service provider selected from the approved panel of service providers. This is done in order to fast-track the procurement process.
- D212/TS67 - Replacement of Filter Media at Sithundu Water Treatment works - KZ294, refurbishment is 100% complete as per target.
- D213/T68 - Sundumbili Filter media replacement, the service provider was procured through the approved panel of service providers in order to fast track the procurement process.
- D214/TS69 -The replacement of existing filter media has been 100% complete and now operational. Certificate of completion provided.
- D215/TS70 – Stanger waste water treatment works - KZ292, service provider procured from the approved panel of service providers. This is done in order to fast-track the procurement process.
- D216/TS71 –Replacement of Filter Media - KZ292 - refurbishment is 100% complete.

The following Floods Disaster Relief Grant - refurbishment and upgrading projects were 100% complete by 31 December 2022 as per Quarter 2 targets;

- D248/TS73 – Ndwedwe - Waterfall-Desilting - Dams and Weirs.
- D249/TS74 – KwaDukuza - Shakaville Township - Renewal: Water Supply Infrastructure.
- D250/TS75 – Ndwedwe - Magwaza Underground cable - Electrical Infrastructure Networks.
- D253/TS78 – KwaDukuza - Shakaville Township Sewer lines -
- D254/TS79 – Ndwedwe - Msunduzi pipe repairs
- D255/TS80 – Ndwedwe - Toti pipe repairs
- D256/TS81 – Ndwedwe - eSilengeni pipe repairs
- D257/TS82 – Ndwedwe - Qedukoma pipe repairs
- D258/TS83 – Ndwedwe - Mgezengwane eDiphini
- D259/TS84 – Ndwedwe - Wosiyane - Abstraction
- D260/TS85 – KwaDukuza - Doesburg pipeline
- D261/TS86 – Ndwedwe - Montebello - Uganda area
- D262/TS87 – Ndwedwe - KwaSathane borehole construction
- D263/TS88 – Shakaskraal - pipeline
- D264/TS89 – KwaDukuza Sewer reticulation - Sewerage Services
- D265/TS90 – Mandeni - Thukela Waste Water Treatment Works
- D251/TS76 – Upgrading: Pump Station: Augmentation of Sokesimbone Water Supply Scheme and Construction of Portion A of Driefontein Water Supply Scheme was 100% complete by 30 June 2023.
- D252/TS77 - Nsuze & Esidumbini upgrading & refurbishment of dams and water works was 100% complete by 31 March 2023

Municipal Disaster Recovery Grant
D269/TS94 - Sonkombo Water Reticulation - Refurbishment of reticulation - boreholes is at 50% as per target by 30 June 2023.
D273/TS99 - Detailed design report completed for Ndulinde water supply scheme – Phase 4D: Reticulation of Zone 6 and bulk supply pipelines

Internal Funding Project;
TL116/D275/TS101 – Telemetry system was installed at five sites; Kearsney, Stanger Manor, UMvoti balancing, Highridge and Warrenton.

5.2.3 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET NOT MET

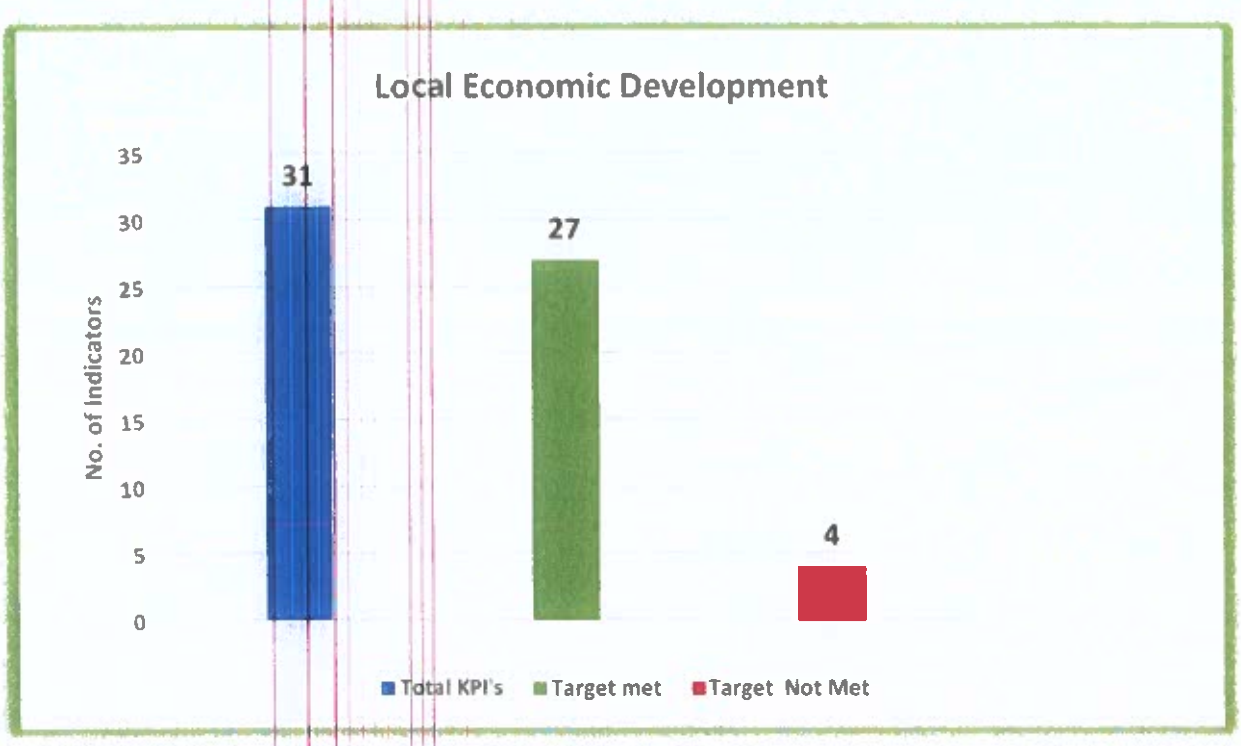
CHALLENGES	MEASURES TO IMPROVE PERFORMANCE / CORRECTIVE MEASURES
WATER PROJECTS	
D167/TS22 – Southern Regional Bulk Mains (MIG project)- Awaiting DWS for WULA approval. EIA approval received, Detail design report and tender document finalised. Awaiting DWS for WULA approval.	To follow up with DWS and targets will be revised for the new financial year.
D171/TS26 – Ngcebo Pumps Upgrade (MIG project) – Construction is at 95%, when compared to target of 100%. Project is complete but cannot be commissioned due to the lack of power supply from Eskom.	Power supply applied for and the Eskom surveyor has been to site now awaiting the appointment of an electrical contractor to install the transformer.
D179/TS34 - Water conservation/Water Demand Management (Water Services Infrastructure Grant), the water losses baseline or actual as at the end of June 2022 was 46.11% as per audited annual financial statements. The water losses as at the end of June 2023 are at 45.87 % as a result, there is a reduction of unaccounted water (real water losses) by 0.24%, when compared to target of 3%. Target not met as projects related to real water loss reduction are still in progress, that is Glenhills mains replacement is due for completion in October 2023 and therefore the impact cannot be recorded yet. The percentage reduction of 0.24 was derived only from leak replacement and Pressure Reducing Valves (PVR) replacement.	Overall reduction will be measured in the new financial year as it will include the benefit from the mains replacement project. It must also be noted that the benefit of project implementation is mostly realized after a period following the project completion and therefore the results are clearly shown in the next financial year.
D181/TS36 – Sundumbili Plaza Pump Station - Bid Specification report submitted. Tender advert only closed on 29 June 2023 and therefore the Evaluation	Target will be reviewed for the next financial year

and Appointment of Contractor could not be done by end of the financial year.	
D187/TS42 - Rand value of INTERNAL FUNDING expenditure on water projects is R 8,614,782 when compared to target of R 12,686,330, annual spent is 68%. Due to the new Preferential Procurement Policy Framework Act (PPPFA) changes, some projects could not be advertised, thereby causing delays on project progress and relevant expenditure.	Advertisements will be fast-tracked to meet the new financial year targets.
SANITATION PROJECTS	
D202/TS57 - Upgrade of Frasers WWTW - Target not met, that is detail design and SCM process. Meetings with other stakeholders did not materialize on time.	The completion of detailed designs will be extended. Meeting will be scheduled with all stakeholders to finalize the land issue.
D204/TS59 – DARNAL WWTW Upgrade Clarifier – Progress on site is not according to schedule, the total work done is 38% when compared to adjusted target of 45% versus 45% time lapsed.	Contractor has appointed a new Sub-Contractor to complete the project through a cession agreement. The project will still be completed in October 2023
REFURBISHMENT/REPLACEMENTS PROJECTS	
The following projects could not be advertised due to delays on all projects following the new Preferential Procurement Policy Framework Act changes. Bid specification and Evaluation process targets were not met; • D266/TS91 - Sundumbili water works security fence • D267/TS92 – Sewer - Construction of operator's room and Ablution facilities at Waste Water Works at Mandeni • D268/TS93 – Sewer - Construction of Chemical storage room and Ablution facilities at Waste Water Works at Maphumulo	Advertisement will be fast tracked to meet the new financial year targets.
D270/TS95 - UMvoti water Works Refurbishment - The appointment of the service provider is delayed, due to the bidders not returning the bids and the second bidder withdrawing their bid. SCM had to re-issue the scope documents to invite new bids.	To re-start the bidding process and extend to a bigger number from the panel of service providers in order to attract more bidders.
D271/TS96 - Avon pipe peaking power replacement - Detailed design and construction drawings finalised. Target not met for the building of pipeline over columns. The 450 meters of steel piping has been purchased and stored inside peaking power plant for safekeeping. Sandblasting and galvanizing of pipes is still outstanding. Laying and concrete encasing of pipes is still outstanding.	Contractor has moved all the pipes to the sandblasting site in Durban for the preparation of the pipes. Contractor has moved excavator to site and excavations have commenced to fast track the pipelaying activity. Contractor has placed orders for the concrete in order to fast-track the pipe encasing activity.

D272/TS98 – Target not met for the appointment of service provider and purchase of generators. The requisitions were initially prepared to appoint directly from the panel and the process was at order stage but, SCM section advised that more service providers be invited to bid for the work. The process was done but the process is due to go for Bid Evaluation Committee.	The target will be revised, budget adjustment will have to be done to continue with the project in the new financial year.
D274- New Borehole - Makhawula and Ezimpondweni at Ndwedwe – actual is 1 out of 2 - Siting, drilling of one borehole completed at ward 18. Electrical connections not completed as yet.	Fastrack the connection of the Eskom electricity and commission borehole
Municipal Disaster Recovery Grant: The below projects had the target of appointment of Service Provider by 30 June 2023, which was not met, due to the following reasons; D279/TS102 - KwaDukuza - Stanger Waste Water Treatment Works – Floods. SCM processes could not be concluded due to incomplete submission from all service providers. The process had to be started all over again. SCM processes could not be concluded timeously; D280/TS103 - Mandeni - Sundumbili Waste Water Treatment Works – Floods. D281/TS104 - KwaDukuza - Industrial Sewer Pump Station – Floods. D282/TS105- KwaDukuza - Design 3 Sewer Pump Station – Floods D283/TS106 - Peaking Power Bell Pump Water Pump Station - Floods KwaDukuza	To re-advertise and call for new service providers to submit fresh bids and briefing session re-scheduled. SCM processes restarted and briefing session re-scheduled SCM processes to be rescheduled and concluded timeously. To re-start SCM processes and conclude timeously To re-start SCM processes

Projects delayed as the appointment of the new panel of service provider was only finalized in May 2023. Service Providers were invited but only 1 returned the bid. Second attempt for request for proposals has been done and closing date was the 10th July 2023; D284/TS107 - Ndwedwe - Nsuze Water Treatment Works – Floods. D285/TS108 - Ndwedwe - Montebello WTW – Floods.	Targets will be revised for the new financial year. .

5.3 LOCAL ECONOMIC DEVELOPMENT



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
LOCAL ECONOMIC DEVLEOPMENT	31	27	87%

Enterprise iLembe continues to improve co-ordination of Local Economic Development in the District. Implements and ensures sustainability of projects to upscale agriculture development in the District. Capitalises on tourism potential to increase visitor numbers in the District. Increases manufacturing output in the District to attract interest in investment. And ensures job creation by identifying and packaging new projects in existing sectors.

5.3.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET MET

Economic cluster meetings were held quarterly. In terms of open fields twenty (20) new and existing small-scale farmers are identified and supported by the Entity. A total of four (4) new markets were secured for capacitated farmers. Two (2) hydroponic tunnels projects were handed over to co-operatives.

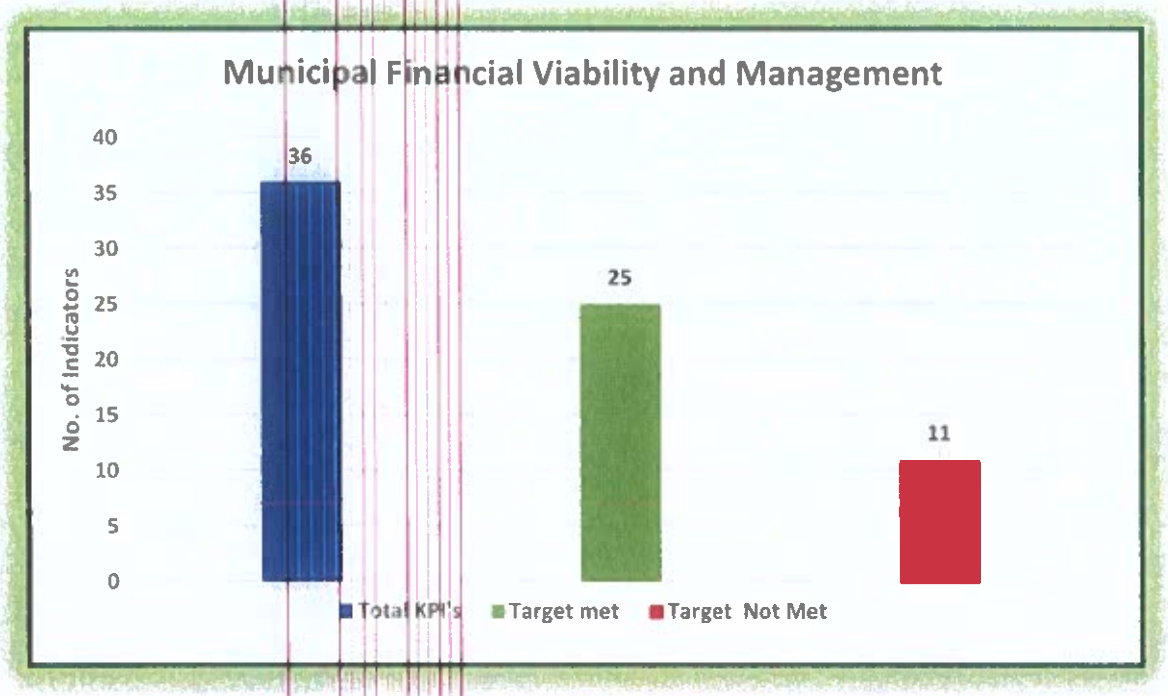
Tourism marketing and development, four (4) exhibitions were attended – target exceeded as the TKZN provided space for exhibiting at Meetings Africa at no cost, the opportunity was taken up in an effort to promote business tourism. A total of seventeen (17) adverts/advertorials were in relevant publications, one (1) official tourism travel guide for 2023/2024 was developed. Percentage of annual increase of tourists (as per calendar year comparison - Dec 2021 to Dec 2022) to iLembe is at 5%. Quarterly tourism forum meetings were held. Two (2) business confidence indexes were developed. Rand value of investment in the district is at R262 000 000 against a target of R100 000 000, higher than anticipated value of investment attracted. The District remains an attractive investment destination. Eight (8) marketing platforms for investment promotion were identified against a target of six (6), the entity was able to leverage additional space for marketing and promotions. The district wide incentive scheme was developed and adopted.

To increase investment within the District, a one stop shop was established, five (5) stakeholder engagements were hosted/attended. Two (2) impact assessment reports on the iLembe Incubator and two (2) progress reports prepared on the Enterprise iLembe incubator SMME's participating in iLembe Entrepreneur Competition were prepared. A total of twenty-one (21) SMMEs were assisted to participate in the iLembe Entrepreneur competition, and two (2) skills development programmes were initiated (FoodBev Project and MICT Project). The actual for youth trained is two hundred and sixteen (216) against a target of one hundred (100), target exceeded as there was additional training on the recruitment for the Digital Skills Centre Programme. LED project was implemented (Business incubator). There were one hundred and fifty-nine (159) co-operatives/SMMEs trained on basic business management skills against a target of one hundred and ten (110), there were additional training programmes such as the Operation Vula Fund. Four (4) capacity building and mentorship support for small enterprises were held, during the last quarter of the financial year the following programmes were implemented: SMME Summit, Digital Skills Centre, SMME financial assistance programme, Operation Vula Fund Programme. Eight engagement sessions with local businesses took place against a target of six (6), target exceeded as more programmes were implemented. The feasibility study for recycling projects was done. The impact analysis report was prepared, this is done to measure the functionality of District Business Incubator.

5.3.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET NOT MET

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
LOCAL ECONOMIC DEVELOPMENT	
TL109/D1– Number of quarterly LED Forum meetings held by deadline – actual is 3 against a target of 4 - The 4th quarter meeting did not quorate.	The meeting will be rescheduled in July 2023
D6 - Percentage increase in wine sales – actual is 23,60% against a target of 25% - Winery has been temporarily closed since February 2023.	A request for proposals will be issued for an operator to take over the operations of the winery.
D11 – Percentage implementation of KwaShuShu Hotspring Project – actual is 70% against a target of 100% - Project has been extended to August 2023 and is current at construction phase. Delays currently due to Ezemvelo KZN Wildlife requesting that the site for ablutions requires an EIA	Engagements are taking place to with iLembe District Environmental and EDTEA to intervene.
D29 - Percentage of Industrial Development Corporation Business Relief Funding disbursed – actual is 76% against a target of 100% - Disbursements to affected businesses finalised.	Outstanding deliverables to conduct business support programme will be completed by end July 2023.

5.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	36	25	69%

Compliance monitoring is crucial to ensure all legislative deadlines are adhered to. The finance department therefore continuously ensures that effective and adequate financial management is always a priority. The budget and compliance unit meets all required legislated standards to ensure credible budgeting. The focus of the budget and compliance department is on monitoring and ensuring compliance with the MFMA and relevant regulations. The expenditure management unit maintains sound expenditure management principles.

The Assets and Logistics Management Unit implements sound and effective asset principles. Revenue Management Unit continues to monitor revenue collection and debtors' management. The Supply Chain Management Unit continues to implement the framework policy, inventory principles and adherence to the approved policy.

5.4.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

The Revenue Unit has reported a total of 1 545 meters were installed against a target of 1 500 households in terms of the reduction of unmetered households within the district. The target was exceeded as there has been an intense operation with regard to metering households where applications have been made. Also, those that have meters on the ground but are not on the financial system. The audit is on an ongoing basis. The aim is to ensure that unmetered households are metered and billed. To maintain clean data, accuracy in billing is at 99% against a target of 98%. The unit wants to ensure all meters are billed accordingly. Tracking of meter reading schedule on a weekly basis. All registered indigent households earning less than R4000 per month have access to free basic services.

The Budget and Compliance Unit ensures sound and credible general financial management principles, financial statements are being prepared on a monthly basis. Forty-eight (48) statutory monthly and twenty (20) quarterly reports were submitted to National & Provincial Treasury as per the section 71 regulation. Percentage of budget on repairs and maintenance allocated is at 3.2% against a target of 2%. The reason for variance is due to increase in the budgeted Property Plant & Equipment considering the additional grants that were allocated during the month of December 2022 and March 2023. Monitoring progress on 2021/2022 audit queries resolving plan is at 90% against a target of 80%. Annual Financial Statements and Consolidated AFS were submitted to the Auditor - General by 31 August 2022 and 30 September 2022 as per the legislative requirements.

The Expenditure Unit ensures sound expenditure management. The Expenditure Unit reported cash on hand of 83 days against a target of 60 days as of the end of June 2023. The current ratio is at 2.64:1 against a target of 1.50:1. The norm ranges between 1.5 to 2 :1. The reason for the cash on hand and current ration exceeded is that these indicators are largely (positively) impacted by the high level of cash reported for the period ended 30 June 2023. Management has been implementing the financial recovery strategy over the past five years. This strategy involved creating cash reserves and applying cost containment measures. This has resulted in the improvement in the liquidity position of the Municipality. These factors have enabled the Municipality to over achieve its liquidity target. The payment of creditors is at 26 days against a

target of 30 days, the efficiency in terms of paying creditors has improved significantly over time. This is largely attributable to the improved liquidity position of the Municipality. As a result, the Municipality has been able to consistently service its debt obligations (including payment of creditors) religiously.

The remuneration cost monitoring is at 23%, when compared to target of 30%, which is within the norm of 25% to 40%. Achieved outcome is within the targeted indicator and the baseline according to historical trends

Contract Management – quarterly reports are prepared on performance of service providers.

The Assets and Logistics Management Unit conducted the asset verification for quality and a reliable fixed asset register on movable and immovable assets that is being done quarterly and annually.

Corporate Services - Monitoring progress on 2021/2022 audit queries resolving plan is at 82% against target of 80% - AG recommendations have been implemented to ensure that queries are resolved.

There were no repeat findings in the 2021/2022 Auditor- General's management report for Technical Services and Community Services department and there were no audit queries for Community Services department.

D159 - Technical Service's department - Percentage progress on audit queries resolving plan is at 87.86%, when compared to target of 80%.

The Technical Service's department expenditure below is considered as target met, as it is within the acceptable variance of 10% as per the PMS framework;

D157/TS12 - Technical Services - Repairs and maintenance expenditure is 95%, when compared to target of 100%.

In terms of financial viability within the Entity, all MFMA Section 87 (12) monthly financial information reports are submitted to the District by deadline. Annual Financial Statements submitted to AG by 31 August 2022. The percentage progress on audit queries resolving the plan is at 100%. Cost coverage is at 2.19:1 and cash flow management is at sixty six (66) days, target

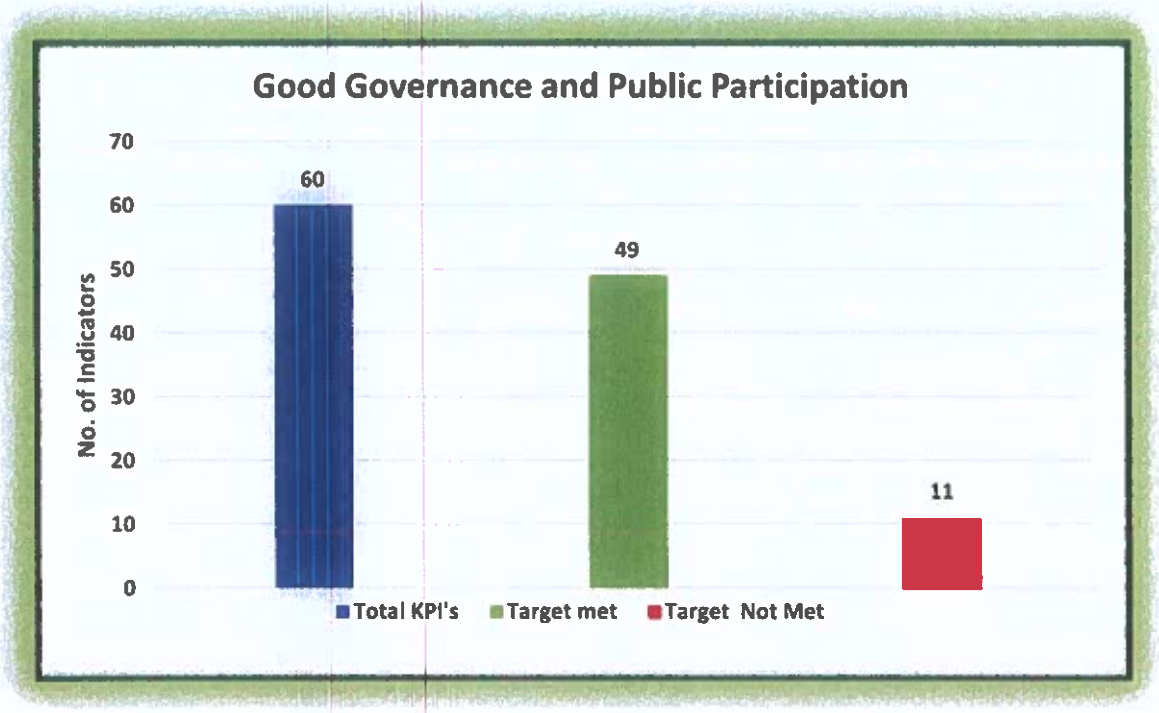
exceeded as the IDM grant reflected on the July statement of which has not been accounted for in the calculation.

5.4.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET NOT MET

CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
TL013/D45 – the monitoring of revenue collection is at 52% against a target of 65%. Target not met. Consumers are still finding it extremely difficult to honour their debts. Some have sighted that they are experiencing economic difficulties. Some are not honouring their arrangements that have been put in place.	Implementation of the credit control and debt collection policy. Staff changes. Staff growth. Tracking of debt collection per week. Targeting consumers where there is consistent water supply.
TL020/D62 - The implementation of procurement plan is at 59.37% against a target of 100% - Some project processes we due to start late in the financial year however some of these projects have not been finalised and has affected the percentage of the procurement plan.	User departments should finalise processes sooner however if these processes are finalised late in the year most likely it will overlap into the new year. These projects will be included in the new financial year.
TL021/D63 - The supply chain management unit - the turnaround time for awarding all the tenders (bids) is at 158 calendar days, against a target of 90 calendar days. Tender numbers; TS/228 - Evaluation of the project was time consuming due to the number of bidders that applied to be on the panel TS/229 - There was a discrepancy in the pricing due to the awarded bidders' price, meetings were held with the service provider to resolve the issue which resulted in a longer period for the finalisation of the bid.	These were situations which are not in control of the Municipality however there will be such delays if these circumstances do arise.
TL017/D54 – The municipality obtained unqualified opinion with audit findings from AG for 2021/2022 financial year when compared to target of a Clean audit opinion report. Target was not met due to a Audit Opinion being unqualified with findings as explained in the audit report.	There is an action plan which is updated on a monthly basis to ensure that the findings on the audit report are not repeated.

D47 - Outstanding service debtors to revenue is 189:1 against 3:1. Target not met. Consumers are finding it difficult to honour their debts. Some are experiencing economic difficulties and are being assisted however some are not keeping up to their arrangements that have entered into.	Implementation of the credit control and debt collection policy. Staff changes. Staff growth. Assisting consumers who cannot pay. Resolving outstanding queries timeously.
D57 – There were two repeat findings for Finance department on 2021/2022 Auditor – General's report.	No reason for variance and corrective measure provided
D100 – Number repeat findings for the Corporate services department – actual is 5 against a target of 0 - The repeat findings were as a result of on-going multi-year projects to resolve the findings.	The multi-year projects will be completed in the new financial year.
D33 – Entity obtained an unqualified opinion with audit findings from AG for 2021/2022 financial year when compared to target of a Clean audit opinion report.	The Entity has resolved findings raised by AG which affected the audit report.
D35 - Number of repeat findings (except in cases where it is beyond EI control) – actual is 3 against a target of 0. There were 3 repeat findings relating to VAT, cashflow statement and errors on the AFS.	Tax practitioner appointed to rectify the tax matter and Finance staff to attend Munsoft training and the internal audit to review the AFS prior submission to the AG.
D39 – Enterprise iLembe - Percentage of operational expenditure – actual is 81% against a target of 100% - Budgeted expenditure R49 210 650 - Actual Expenditure R39 834 453. Expenditure under target due to projects that were still in progress and the year-end accruals are still to be affected on the system of which will impact on this current stated percentage	The cashflow projections will be monitored on a monthly basis and will be tabled at EXCO so as the procurement plan.
D156 - Percentage of the municipality's annual capital budget spent on agreed IDP projects for Technical Services is at 83% against a target of 100% - The Accelerated Grant & RAMS grants are not aligned to the Municipal Financial Year, thereby reflecting under expenditure. Realistically the grant allocation could not be 100% spent due to the difference in the financial year. The Municipality had to accept the grants, which were received late in the financial year.	In future, more realistic targets will be set during the adjustment period.

5.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
GOOD GOVERNANCE & PUBLIC PARTICIPATION	60	49	82%

Effective public awareness of municipal business is important in order to strengthen partnerships with various stakeholders through communication. This is done through information dissemination in the form of radio slots, external and internal newsletters and on-going advertorials and public participation. Implementation of the various strategies also plays a role.

The Disaster Management Unit ensures rapid and effective response in assisting vulnerable communities during incidents and disasters, that disaster stricken communities exercise the risk avoidance behaviour during all incidents and disasters. Capacity building programmes are held to create a resilient and pro – active community.

The special projects units' main intention is to improve the quality of life within the district, by mobilising the communities against social impacts of HIV/Aids and to conscientise society about

the impact of patriarchal policies. Implementation of Operation Sukuma Sakhe is also done within this unit.

To preserve our history and heritage many celebrations are held to promote arts and culture, tourism and social cohesion within the District. Implementation of youth programmes is done to harness the potential of young people to enable them to play a meaningful role in society.

Budget and monitoring of performance against predetermined objectives is being done to ensure effective organisational performance. Effective risk management is done to implement and maintain compliant effective and enterprise risk management. The internal audit unit provides independent objective assurance and consulting services designed to add value and improve the municipality's operations.

5.5.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET MET

The communication unit conducted twenty-five (25) mayoral radio slots. A total of two (2) external newsletters and four (4) internal newsletters were prepared. In terms of Public Participation strategy implementation - Engagement between councillors and traditional leaders and taking Council to people – four (4) quarterly meetings were held. A total of 10 IDP/Budget meetings/events were.

The world Aids day event was held on the 1st December 2022. Quarterly District Aids Council meetings were held. The gender plan was reviewed and adopted, nineteen programmes were implemented as per the approved plan, target exceeded because due to high number of Social Ills reported from Schools there were additional awareness in schools. Number of interventions held in all local municipalities a target of sixteen (16) has been met. A total of twelve (12) district task meetings were held, quarterly Technical District Command Council meeting and District Command Council meetings were held.

A total of twenty-two (22) youth programmes were implemented when compared to target of eighteen (18), target exceeded because of the Youth Mobile Bus Facility which was provided by the Office of the Premier. This has resulted to additional programmes being implemented and reaching more young people in rural areas. June 16th Youth Day Celebration was a joint programme between Office of the Premier, All Provincial Departments, Ilembe and four Local

Municipalities. The draft youth strategy was developed. Nineteen (19) sports events and nine (9) heritage events were held.

Preparation of the IDM annual report targets were achieved, consolidation of information from departments and submission of draft report to Auditor-General by 31 August 2022. The oversight report was adopted on the 31st March 2023.

Four (4) reports were submitted to the Audit Committee by the Internal Audit Unit. A total of sixteen (16) audit assignments were conducted as of the end June 2023.

To ensure effective risk management, monthly risk registers were updated and five ethics/risk committee meetings were held target exceeded due to a special meeting. The risk assessment process for the 2023/2024 was finalised by end June 2023. The 2022/2023 Enterprise Risk Management Register was submitted to Exco for approval. The Risk Management Framework and Strategy and the Anti-Fraud and Corruption Strategy & Policy was reviewed and approved by Council. Two (2) Enterprise Risk Management workshops were held by deadline. Quarterly reports were prepared on the implementation of the Business Continuity plan. The workshops and testing of the business continuity plan were done, the Business Continuity plan was reviewed through the assistance of the Vuthela project.

The Organisational Performance Management Framework was reviewed and approved by Council on the 30th May 2023. The 2021 /2022 Annual Performance Report was completed and submitted to the Auditor - General on the 31st August 2022. One hundred percent of senior manager's performance agreements with OSS indicators and targets were integrated.

Chief Financial Officer's Forum meetings were held quarterly as planned.

Risk monitoring tools were updated on a monthly basis by Finance, Technical Services, Community Services and Corporate Services department.

Quarterly performance reviews were conducted between the Senior Manager: Technical Services, Corporate Services, Community Services, and Manager's under her/his office.

A total of four (4) infrastructure forum meetings were held by Technical Services.

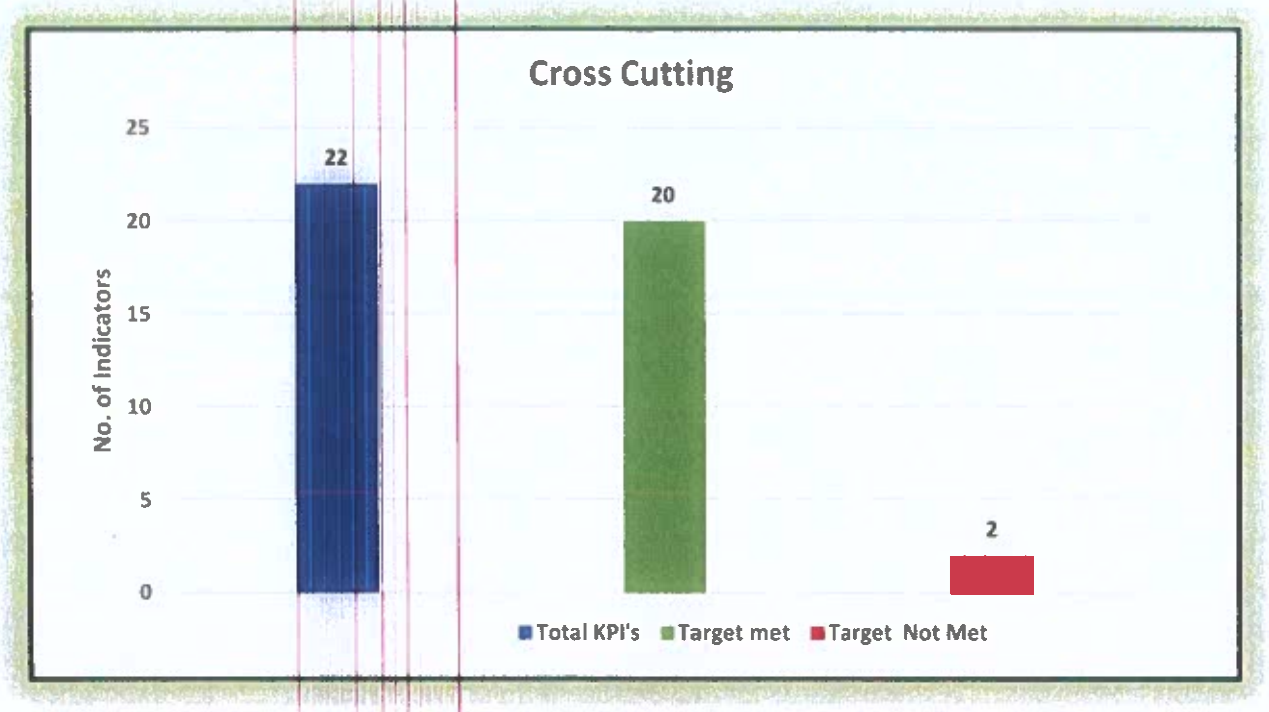
In terms of the entity under governance matters, Strategic plan for the Entity with clear measurable targets was reviewed by the Board. A total of 18 of Board and sub-committee meetings were held to ensure effectiveness of the Board. Four Audit committee meetings were held and two Audit committee reports were submitted to the Board. Coaching sessions of employees' performance were conducted quarterly. Quarterly reports on the status of Enterprise iLembe to the Municipal Manager were submitted.

5.5.2 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET NOT MET

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
TL054/D108 - Number of communication strategy reviewed and adopted - actual is 0 against 1 - The communication strategy review process took longer than expected due to challenges and delays in engaging the local municipalities for their input on the strategy.	The communication strategy review process will be finalized in the financial year., which will then allow for its adoption.
TL106/D114 - Number of Public Participation strategy developed and adopted – actual is 0 against a target of 1 - The Public Participation strategy review process took longer than expected due to challenges and delays in engaging the local municipalities for their input on the strategy.	The Public Participation strategy review process will be finalized in the financial year., which will then allow for its adoption.
D109 - Number of media tours – actual is 0 against a target of 2 - the media tours did not take place in this financial year dueto the busy schedule and clashing municipal activities that were led by the principals.	The media tours will be done in the next financial year.
D110 - Number of press conference held - actual is 2 against a target of 4 - A total of 2 press conferences took place this financial year due to clashing municipal activities that were led by the principals.	Press conferences will happen in the next financial year.
TL066/D222 - Number of internal audit plans developed and submitted to the Audit committee for approval – actual is 0 against a target of 1	2023/2024 Draft Internal Audit Plan to be submitted in the next audit committee meeting that will take place on the 17th of July 2023.

2023/2024 draft Internal audit plan was developed and tabled before MANCO for inputs and consideration. The MANCO meeting took place on the 19 June 2023. Audit committee meeting scheduled to take place on the 29th of June was postponed to 17th of July 2023.	
TL067/D223 - Number of internal audit charter submitted to Audit Committee for approval – actual is 0 against a target of 1 - 2023/2024 draft Internal audit Charter was reviewed and tabled before MANCO for inputs and consideration. The MANCO meeting took place on the 19 June 2023. Audit committee meeting scheduled to take place on the 29th of June was postponed to 17th of July 2023 Audit committee. meeting scheduled to take place on the 29th of June 2023 as per Audit committee calendar was postpone.	Internal Audit Charter will be submitted to audit committee for approval in the next audit committee meeting scheduled to take place on the 17th of July 2023.
D69/FID025 – Quarter three performance reviews were not reported and evidence was not provided between the CFO, and Manager's under his office.	No reason for variance and corrective measure.
TL083/D237 - Number of performance reviews of Senior Managers and Municipal Manager – actual is 2 against a target 4	No reason for variance and corrective measure
TL114/D276 - Number of performance reviews between Manager's under office of the Municipal Manager and the Municipal Manager - actual is 0 against a target 2	No reason for variance and corrective measure
D102 – Corporate Services - Number of Corporate Services sub Forum meetings held – actual is 0 against a target of 4 - Acting Senior Manager to discuss with PMS & MM with regards to the non-sitting of the CS forum.	DCSF Chairperson to consolidate all LM reports for submission to the Technical Hub meeting.

5.6 CROSS CUTTING



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
CROSS CUTTING	22	20	91%

5.6.1 PERFORMANCE HIGHLIGHTS AS PER TOP LAYER SDBIP AND NATIONAL KPA FOR TARGET MET

The health and safety unit ensures a sustainable and healthy environment by providing effective vector control, monitoring water quality, ensuring that the statutory requirements controlling occupational health and environmental health services are enforced minimising risks in the work place and community. Monitor food handling premises

The planning unit ensures that they facilitate co-ordinated planning and development within the District.

In terms of Integrated development plan review, all activities were done prior to deadline. The action programme, the Framework and the Process Plans which set out the process to be

followed in preparation for the review of the IDP was adopted by Council. The 2023/2024 draft The IDP was tabled and approved at the Council meeting on 29 March 2023 and the final document was adopted on the 30th May 2023. A total of six (6) planning and infrastructure alignment meetings were held. Quarterly reports were prepared on the implementation of District Growth and Development Plan (DPSS) and the spatial development programme. The District Development model/one plan was prepared and adopted, by the Political Hub on 14 December 2022. This follows the requirements of Circular 10 of 2022. Four (4) workshops were held on the Greening education and awareness, the intention was to create community awareness about the health consequences of illegal dumping and awareness among Municipal officials to deal with illegal dumping issues in their respective areas. Activities included education, awareness, and clean-up campaigns in partnership with Ndwedwe local municipality and aQuelle as a private partner that also sponsored refreshments, PPE and refuse waste collection.

Monthly consolidated incident/disasters reports were prepared and submitted to the Provincial Disaster Management Centre. A total of twenty-four (24) community awareness campaigns and seventeen (17) capacity-building programmes were held to date. Quarterly district advisory forum meetings were held. Consolidation of inputs were received from different disaster management stakeholders on the review of the Disaster Management Plan and the review was complete. Four (4) workshops were conducted to rollout the Disaster Management Volunteer Strategy/framework.

The health and safety unit has exceeded most targets, number of sites serviced within budget in terms of vector control is at 384 against a target of 350, target exceeded due to request from the communities, for the team to exterminate breeding sites and mosquito complaints as a result of extra rains during the quarter. Water quality monitoring and analysis, 256 samples were taken and analysed against a target of 240, target was exceeded as re sampling was conducted due to failures of initial water samples that were tested. this is conducted to verify and ensure that corrective measures were undertaken by water service Authority. Municipal health services are on track, 100% of all food handling license applications received and processed within 14 working days.

A total of 961 food premises were inspected to reduce food borne illness against a target of 900, target exceeded as follow up inspections were conducted during enforcement Blitz on

non-complying food premises. 100% of all notifiable diseases were investigated. To date 59 health education awareness campaigns held, against a target of 50, target exceeded due to diseases outbreaks lead to extra awareness being conducted.

5.6.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE FOR TARGET NOT MET

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
TL089/D243 - Number of potential sites identified for regional landfill site – actual is 0 against a target of 2 - The identification process of the potential sites was not finalised due to delays in submitting the required data. To get the requested data (of potential sites)"	The unit will arrange a meeting with the affected Local Municipalities to discuss the potential sites and ownership thereof. After the discussion, a way forward will be addressed.
TL090/D244 - Number of uMvoti Catchment Plan adopted – actual is 0 against a target 1 - Target not achieved. The project activities were not concluded in the 2022/2023 financial year.	The project activities were not concluded in the 2022/2023 financial year. However, project progress is well underway and the last PSC meeting was held on 03 July 2023

6. KEY AREAS TO NOTE

6.1 IMPROVING PERFORMANCE

In order to improve performance, the iLembe District Municipality, throughout the performance management phases, will analyse the causal and contributory reasons for poor performance, through coaching sessions from top to lower levels of the administration and appropriate response strategies will be developed. These will include, inter alia:

- Restructuring as a possible solution for an inappropriate structure;
- Process and systems improvement strategies to remedy poor systems and processes;
- Training and sourcing additional capacity where skills and capacity shortages are identified;
- Change management and diversity management education programmes to address organisational culture;
- Review of the IDP where Councillors will address shortcomings in the strategy;
- Development of appropriate departmental business plans and operational plans to guide performance in each department; and
- Where results show no chance of improvement through internal measures, alternative service delivery mechanisms are considered.

6.2 DETERIORATING PERFORMANCE

Poor performance in municipalities is often characterised by disclaimers and adverse opinions from the Auditor - General and community protests for inadequate service delivery. The worst measure that is taken for worst performing municipalities is the Section 139 intervention by the MEC for Local Government in the province.

The effective implementation of the performance framework and the different roles and responsibilities that will be played by different stakeholders will serve as an early warning mechanism for the iLembe District Municipality to keep ahead of performance and to effect corrective measures timeously in any of the weak functional areas identified by the performance management system.

7. PERFORMANCE OF SERVICE PROVIDERS

All service providers performance is monitored and reviewed on a monthly and quarterly basis, however as defined in the Systems Act Section 76 the service providers performing the core functions of the Municipality are rated below in table.

Performance Analysis and rating criteria

For contractor performance rating purposes, the following rating criteria is used:

PERFORMANCE WEIGHTING		
1	POOR	Performance did not meet most contractual requirements and contains serious problem(s) for which correction actions were ineffective.
2	SATISFACTORY	Performance did not meet some contractual requirements, contractors actions appear only marginally effective or were not fully implemented.
3	GOOD	Contractual performance of contractor contains some minor problems for which corrective action taken by the contractor appear or were satisfactory
4	VERY GOOD	Performs meets contractual requirements some minor problems for which corrective action taken by the contractor were effective
5	EXCELLENT	Performance meets contractual requirements with few minor problems for which corrective actions by contractor were highly effective.

The performance ratings of service providers performing the core function of the municipality are as follows:

SERVICE PROVIDER PERFORMANCE REPORT															
	2021/2022 ANNUAL PERFORMANCE RATINGS							2022/2023 ANNUAL PERFORMANCE RATINGS						
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED
TECHNICAL SERVICES														
UMGENI WATER			√								√			
GLEDHOW SUGAR			√						√					
SEMBCORP SIZA WATER				√							√			

ANNEXURES

- TOP LAYER SDBIP
- OFFICE OF THE MM
- TECHNICAL SERVICES - DEPARTMENTAL SDBIP
- FINANCE DEPARTMENT - DEPARTMENTAL SDBIP
- CORPORATE SERVICES - DEPARTMENTAL SDBIP
- COMMUNITY SERVICES - DEPARTMENTAL SDBIP
- ENTERPRISE ILEMBE - DEPARTMENTAL SDB

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23						Overall Performance for July 2022 to June 2023			
																													Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D173	TS28	Technical Services Infrastructure Planning & Implementation	District Engineer - JN	Percentage completion of construction by deadline Glenhills	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replace and upgrade on ageing infrastructure	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	B501	17241944	10911224			35561901	Completion by 30 June 2023	Baseline updated Budget adjusted Project lost two months of construction due to KDM imposing stringent conditions on their wayleaves Our project is changing pipes over a number of streets and KDM wanted us to work only one street at a time This was resolved with KDM through the office of the MM and now are able to access entire project foot print. This delayed us significantly and contractor has added more teams now to pick up progress but it wont be enough to keep the target Project is being accelerated due to	Quarterly	10 00%	Percent	Last Value	18.00%	10.00%	75 00%	85 00%	86 00%	75 00%	10 00%	85 00%		86 00%	G2	Project is progressing well	None	75.00%	85.00%	86.00%	G2
D174	TS29	Technical Services - Infrastructure Planning & Implementation	District Engineer - JN	Percentage completion of construction by deadline - Padsanager Pumpstation and Pipeline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replace and upgrade on ageing infrastructure	To eradicate the backlogs and cater for future demands that may arise out of the new developments	Technical Services Infrastructure Planning and Implementation	B501	7453708	11891798				Completion by 30 December 2023	Reason for adjustment. Baseline updated Budget adjusted, to cover costs incurred in terms of completion of the project Also, there was additional scope	Quarterly	66 00%	Percent	Last Value	45.00%	66.00%	100 00%	100 00%	100 00%	0 00%	0 00%	0 00%		0.00%	N/A			100.00%	100.00%	100.00%	G
D175	TS30	Technical Services - Infrastructure Planning & Implementation	District Engineer - JN	Number of Activities conducted by deadline - Sonkombo Water Reticulation	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replace and upgrade on ageing infrastructure	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	B501	9913043	3478829 2			4616992	Activities Detailed Design Report, BSC Report for the appointment of Contractor and Tender Document completed by 30 June 2023	Service provider has been appointed and they mobilised resources to push the project ahead And with other projects not performing this project had to be brought forward to also meet expenditure targets Budget adjusted Budget increased	Quarterly	1	Number	Last Value	3	1	3	3	3	3	0	3	Activity 3 Detailed Design Report, BSC Report for the appointment of Contractor and Tender Document	3	G	Project is under tender evaluation for the appointment of contractor	Project is on progressing well	3	3	3	G
D176	TS31	Technical Services - Infrastructure Planning & Implementation	District Engineer - JN	Number of Activities conducted by deadline - Mandeni Reticulation refurbishment	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replace and upgrade on ageing infrastructure	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	B501	869565	2782610			3631870	Activities - Concept and Preliminary Design Report, Detailed Design Report and Tender Document BSC Report for the appointment of Contractor completed by 30 June 2023	Reason for adjustment Service provider has been appointed and they mobilized resources to push the project ahead And with other projects not performing this project had to be brought forward to also meet expenditure targets Budget removed. Budget increased	Quarterly	0	Number	Last Value	New Indicator	New Indicator	2	3	3	2	1	3	Activity 3- Detailed Design Report, and Tender Document BSC Report for the appointment of Contractor	3	G	Tender document, Detail Design Report and BSC reports is attached	Target is met	2	3	3	G
D177	TS32	Technical Services Infrastructure Planning & Implementation	District Engineer - JN	Number of Contract Administration Repots prepared by deadline- TS /205/206-2019/219/22	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replace and upgrade on ageing infrastructure	To eradicate the backlogs and cater for future demands that may arise out of the new developments	Technical Services Infrastructure Planning and Implementation	B501	6608696	3868405 39				Contract Administration Report by 30 June 2023	Reason for adjustment Contract number corrected Budget adjusted	Monthly	0	Number	Last Value	New Indicator	New Indicator	12	12	12	12	0	12	Contract Administration Reports	12	G	Please see attached report	Reports are attached	12	12	12	G
D178	TS33	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Rand value of WSIG expenditure on water projects by deadline	Rand Value	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	WSIG FUNDING	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented	Technical Services Infrastructure Planning and Implementation	B501	62086956	52,933,890			59570965	Rand value of WSIG expenditure on water projects by 30 June 2023	Budget adjusted 3rd Special Adjustment Budget April 2023 Budget increased	Quarterly	R0.00	South African Rands	Carry Over	R28 788 291.80	R29 935 298.80	R57 086 956 00	R57 570 965 00	R56 250 157 59	R62 086 956 00	R2 515 991 00	R59 570 965 00		R56 250 157 59	R	Expenditure is within the allowable 10% variance		R62 086 956.00	R59 570 965.00	R56 250 157.59	R
D179	TS34	Technical Services Technical Services	Senior Manager Technical Services	Percentage reduction of unaccounted water (real water losses) by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes	Percentage reduction of unaccounted water (real water losses) by deadline (TS34-T(003)	Basic Service Delivery and Infrastructure	Replace and upgrade on ageing infrastructure	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Technical Services	B501	6086957	14462687			25216916	Reduction of unaccounted water (real water losses) from baseline of 48 87% by 30 June 2023	Baseline updated Corrected KPI, to ensure that it is well defined Budget adjusted We have increased activities for reduction of unaccounted water Budget increased Q4 target reviewed	Annually	1 76%	Percent	Last Value	2.00%	3.76%	1 70%	3.00%	0 24%	1 70%	1 30%	3 00%	Reduction of unaccounted water (real water losses)	0 24%	R	Projects related to real water loss reduction are still in progress, ie Glenhills mains replacement is due for completion in October 2023 and therefore the impact cannot be recorded yet The percentage reduction of 0 24 was derived only from leak replacement and PRV replacement	Overall reduction will be measured in the new financial year as it will include the benefit from the mains replacement project It must also be noted that the benefit of project implementation is mostly realized after a period following the project completion and therefore the results are clearly shown the next financial year	1.70%	3.00%	0.24%	R
D181	TS36	Technical Services WCWDM	Manager WSP KM	Number of Activities conducted by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Sundumbili Pump Station	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	R 8000000 allocated for TS36 to TS37	R 3000000 allocated for TS36 to TS37				Activities - Bid Evaluation stage & BSC process finalized & BEC process finalized completed by 30 June 2023	Target has been reviewed as the Consultant was appointed in Q2 and the Contractor will be appointed in Q4 Removed the appointment of the Contractor as the project only went to BSC in April 2023	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	1	0	1	1	Activity - BEC process finalized	0	R	Tender advert only closed on the 29th June 2023 and therefore the evaluation could not be done by end of the financial year Target not met	Target will be reviewed for the next financial year	2	1	1	R

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																													Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D183	TS38	Technical Services WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Wesbrane Water Scheme Rehabilitation	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely	Technical Services WCWDM	B501	350000	282880				completion of refurbishment by 31 September 2023	Reason for adjustment Baseline updated Corrected annual target from 10% to 100% Budget adjusted	Quarterly	100.00%	Percent	Last Value	100.00%	100.00%	10.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%				10.00%	100.00%	100.00%	G
D184	TS39	Technical Services WCWDM	Manager WSP - XM	Number of quarterly reports prepared by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Pump Replacement	To eradicate the backlogs and cater for future demands that may arise out of the new developments	Technical Services WCWDM	B501	2500000	8403450				quarterly reports prepared by 30 June 2023	Reason for adjustment: Budget adjusted	Quarterly	0	Number	Last Value	New Indicator	New Indicator	4	4	4	1	0	4	4	G	None		4	4	4	G
D186	TS41	Technical Services - WCWDM	Manager WSP - XM	Number of Activities conducted by deadline -	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Leak Detection Equipment	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	1000000					Activities bid specification & Appointment of Service provider & Report on leak detection equipment procured completed by 30 June 2023		Quarterly	0	Number	Last Value	New Indicator	New Indicator	4	4	4	4	0	4	4	G	Work was completed and reported in Q3 report	None	4	4	4	G
D187	TS42	Technical Services Technical Services	Senior Manager Technical Services	Rand value of INTERNAL FUNDING expenditure on water projects by deadline	Rand Value	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	INTERNAL FUNDING	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be	Technical Services Infrastructure Planning and Implementation	B501	26936957	16686330			12686330	Rand value of INTERNAL FUNDING expenditure on water projects by 30 June 2023	Target to be reviewed Removed WSIG funding for WCDM - R 6 086 957 Correct original budget is R20 850 000 3rd Special Adjustment Budget- April 2023 Budget reduced	Quarterly	R0 00	South African Rands	Last Value	0	0	R26 936 957 00	R12 686 330 00	R8 614 782 00	R26 936 957 00	R14 250 627 00	R12 686 330 00		R8 614 782 00	R	Due to the new PPPFA changes, some projects could not be advertised, thereby causing delays on project progress & relevant expenditure	Advertisements will be fast tracked to meet the new financial year targets	R26 936 957.00	R12 686 330.00	R8 614 782.00	R
D188	TS43	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Number of new VIP toilets constructed by deadline - Ndwedwe TS/200/NDW/VIP	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndwedwe TS/200/NDW/VIP	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	6086954	8690076		7826086	9796672	Construction of VIP Toilets by 30 June 2023	Baseline updated Budget adjusted Number of VIP toilets to be constructed increased due to change in budget Additional VIP toilets included Budget increased	Quarterly	530	Number	Last Value	528	530	490	615	622	490	125	615	VIP Toilets	622	G2	Some additional units were achieved due to a carryover from the previous financial year and a delayed increase in unit cost		490	615	622	G2
D189	TS44	Technical Services Infrastructure Planning & Implementation	District Engineer - DK	Number of new VIP toilets constructed by deadline - Mandeni TS/200/MND/VIP	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Mandeni TS/200/MND/VIP	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	7826086	8692778 38			9796672	Construction of VIP Toilets by 30 June 2023	Baseline updated Budget adjusted Number of VIP toilets to be constructed increased due to change in budget Additional VIP toilets included Budget increased	Quarterly	230	Number	Last Value	310	230	490	615	648	490	125	615	VIP Toilets	648	G2	Some additional units were achieved because of a carry over from the previous year and a delay in the increase in cost		490	615	648	G2
D190	TS45	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Number of new VIP toilets constructed by deadline - Maphumulo TS/200/MMP/VIP	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Maphumulo TS/200/MMP/VIP	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	7826086	8690076			9796672	Construction of VIP Toilets by 30 June 2023	Baseline updated Budget adjusted Number of VIP toilets to be constructed increased due to change in budget Additional VIP toilets included Budget increased	Quarterly	436	Number	Last Value	310	436	490	615	648	490	125	615	VIP Toilets	648	G2	Some additional units were achieved due to a carry over from the previous year and delay in the increase of cost.		490	615	648	G2
D191	TS46	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Rand value of MIG -VIP Toilets expenditure	Rand Value	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes	Rand value of MIG -VIP Toilets expenditure (TS46-TL007)	Basic Service Delivery and Infrastructure	MIG Funding - OPEX	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	21739126	26,072,930			R29,390,016	Rand value of MIG -VIP Toilets expenditure by end June 2023	Baseline updated Budget adjusted No WSIG funding 3rd Special Adjustment Budget- April 2023 Budget increased	Quarterly	R28 541 221 00	South African Rands	Last Value	R28 621 674.00	R28 541 221.00	R21 739 126 00	R29 390 016 00	R29 725 472 70	R21 739 126 00	R7 650 890 00	R29 390 016 00		R29 725 472 70	G2	Expenditure is within the allowable 10% variance		R21 739 126.00	R29 390 016.00	R29 725 472.70	G2
D192	TS47	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Number of new households with access to sanitation Construction of bulk sewer in 1No 600m³/Day Package Wastewater Treatment Plant and Mnyundwini, Njekane and Ntshenu Pumping Station TS/211/2020 (Included in balance of scope for TS/179/2017)	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Groutville D Waterborne Sanitation	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	R 37200000 allocated for TS47 to TS49	R 32007349 allocated for TS47 to TS49			R 37504349 allocated for TS47 to TS49	hh by 30 June 2023	Reason for adjustment Baseline updated Budget adjusted Target removed as household connections are done by KwaDukuza Municipality	Annually	0	Number	Last Value	New Indicator	New Indicator	290	0	0	290	290	0	household	0	B			290	0	0	B

Ref	Internal SoE / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																														Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D193	TS48	Technical Services Infrastructure Planning & Implementation	District Engineer - JN	Percentage completion of construction by deadline Construction of bulk sewer in 1No 600m³/Day Package Wastewater Treatment Plant and Mnyundwana, Nyekane and Etshoni Pumping Station - TS/210/2020 (Included is balance of scope for TS/179/2017)	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Greytville D Waterborne Sanitation	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	R 37200000 allocated for TS47 to TS49	R 32007349 allocated for TS47 to TS49			R 37504349 allocated for TS47 to TS49	construction completed by 30 December 2023	Reason for adjustment Baseline updated Budget adjusted	Quarterly		75.00%	Percent	Last Value	70.00 %	70.00 %	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%				100.00%	100.00%	100.00%	G
D194	TS49	Technical Services Infrastructure Planning & Implementation	District Engineer - JN	Percentage completion of construction by deadline Construction of Greytville D Sanitation Ward 10 - TS/225/2022	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Greytville D Waterborne Sanitation	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	R 37200000 allocated for TS47 to TS49	R 32007349 allocated for TS47 to TS49			R 37504349 allocated for TS47 to TS49	construction completed by 30 June 2023	Baseline updated Budget adjusted Project is not able to start because of community protests linked to employment of labour and subcontractors 3 rd Special Adjustment Budget April 2023 Budget increased	Quarterly		0.00%	Percent	Last Value	New Indicator	New Indicator	45.00%	30.00%	45.00%	45.00%	-15.00%	30.00%		45.00%	R	On numerous occasions, project was stopped by the community but the contractor had catch-up plans in place hence this quarter's target have been met	None	45.00%	30.00%	45.00%	R
D195	TS50	Technical Services Infrastructure Planning & Implementation	District Engineer - DR	Number of reports on detailed design complete by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Driefontein Water Borne Sewer	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	R 3500000 allocated for TS50 to TS51					detailed design reports completed by endJune 2023	Reason for adjustment. Source of evidence corrected	Quarterly	100	Number	Last Value	0	0	4	4	4	4	0	4		4	G	Detailed design is complete, awaiting DWS to issue WULA		4	4	4	G
D196	TS51	Technical Services Infrastructure Planning & Implementation	District Engineer - DR	Number of reports on WULA status prepared by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Driefontein Water Borne Sewer	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	R 3500000 allocated for TS50 to TS51					reports on WULA & EIA status prepared by end March 2023	Reason for adjustment Baseline updated Awaiting approval from DWS	Quarterly	2	Number	Last Value	3	3	3	4	4	0	4	4		4	G	WULA application resubmitted to DWS, awaiting DWS to issue approval		3	4	4	G
D197	TS52	Technical Services WCWDM	Manager WSP - KM	Number of reports on detailed design complete by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Maphumulo Town Waterborne Sewer	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 2000000 allocated for TS52 to TS53	R 2004567 allocated for TS52 to TS53			R 3004567 allocated for TS52 to TS53	reports on detailed design completed by end June 2023	Baseline updated Budget adjusted Budget increased	Quarterly	2	Number	Last Value	2	2	4	4	4	4	0	4		4	G	Progress on both EIA and detailed design is contained in the Q 4 report	None	4	4	4	G
D198	TS53	Technical Services WCWDM	Manager WSP - KM	Number of reports on WULA status prepared by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Maphumulo Town Waterborne Sewer	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 2000000 allocated for TS52 to TS53	R 2004567 allocated for TS52 to TS53			R 3004567 allocated for TS52 to TS53	reports on WULA & EIA status prepared by end June 2023	Baseline updated Budget adjusted Budget increased	Quarterly	2	Number	Last Value	2	2	2	2	2	2	0	3		2	G	Progress on bote EIA and Detailed design is contained in the Q4 report	None	2	3	3	G
D201	TS56	Technical Services Infrastructure Planning & Implementation	District Engineer - JN	Number of progress reports on the replacement and upgrading of ageing infrastructure by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes	Number of progress reports on the replacement and upgrading of ageing infrastructure (TS56 F.004)	Basic Service Delivery and Infrastructure	Replace and updgrading ageing infrastructure	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	0					progress reports on the replacement and upgrading of ageing infrastructure by 30 June 2023	Reason for adjustment Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	WSIG 4rd quarter report is attached This report shows progress on all projects implemented as part of the replacement and upgrading of ageing infrastructure	Report to be submitted DWS is attached	4	4	4	G
D202	TS57	Technical Services Infrastructure Planning & Implementation	District Engineer - NM	Number of activities completed by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Upgrade of Fraser's WWTW	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	2000000					activities - Detailed design & SCM process completed by end June 2023	Reason for adjustment The appointment of the Contractor will not materialized as the project will be halted in detailed design Detailed design will be complete end Q4 Budget adjusted	Quarterly	2	Number	Last Value	2	3	3	3	0	0	3	3	Activity 3 Detailed design complete	0	R	Target 3 not met, meetings with other stakeholders (Siza Water) did not materialize on time The completion of detailed designs will be extended	Meeting will be scheduled with all stakeholders to finalize the land issue	3	3	0	R
D203	TS58	Technical Services Infrastructure Planning & Implementation	District Engineer - NM	Construction completed by deadline Darnall WWTW Upgrade	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Darnall WWTW Upgrade	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	0					construction completed by 30 September 2022	Reason for adjustment Baseline updated	Quarterly	90.00%	Percent	Last Value	100%	90%	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			100.00%	100.00%	100.00%	G
D204	TS59	Technical Services Infrastructure Planning & Implementation	District Engineer - NM	Percentage completion of Construction by deadline	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	DARNAL WWWTW UPGRADE Clarifier	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	17000000	18500000			15200000	construction completed by 30 June 2023	Baseline updated Budget adjusted to cover costs for both Contractor and Consultant, as Consultant fees were not budgeted for. The targeted % will not be reached as the project start has delayed on procurement and another 2 weeks delay due to community grievances The actual start date was 23 January 2023 Budget reduced	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	90.00%	45.00%	38.00%	90.00%	45.00%	45.00%		38.00%	R	Progress on site is not according to schedule, the total work done is 38% versus 45% time lapsed The project will still be completed in October 2023	Contractor has appointed a new Sub-Contractor to complete the project through a cession agreement	90.00%	45.00%	38.00%	R
D206	TS61	Technical Services Infrastructure Planning & Implementation	District Engineer - PM	Number of Activities completed by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndwedwe Town Bulk Sewer	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	2000000	0				Activities - Appointment of PSP & Draft Business Plan completed by end June 2023	Reason for adjustment Target renewed, due to delays in appointment of Service Provider Phibe Midlethe is responsible now for this project Corrected June 2023 target from 3 to 2, as Q3 target removed during the adjustment process.	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	2	2	3	-1	2	Activity Draft Business Plan (was Final Business Plan	2	G			3	2	2	G

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																														Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D207	T562	Technical Services - Infrastructure Planning & Implementation	District Engineer - JN	Number of Activities completed by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	KDM Sewer Mains Replacement, Phase 1A, 1B & 1C	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B502	5000000	8754374			9254374	Activities Appointment of PSP & Design Report & Three Tender documents for Phase 1A, 1B & 1C completed by end June 2023	Budget adjusted Project has been brought forward to assist with the damages caused by floods The project is huge and will be broken down to phases and 3 Contractors will be appointed Budget increased	Quarterly	0	Number	Last Value	New Indicator	New Indicator	3	3	3	3	0	3	3	G	Tender documents have been done	target met	3	3	3	G
D208	T561	Technical Services - WCWDM	Manager WSP - KM	Number of Activities completed by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Mechanical Screen replacment	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 1500000 allocated for T563 to T564	R 1327455 allocated for T563 to T564				Activity - Appointment of Service Provider completed by end December 2022	Reason for adjustment Budget adjusted based on actual costs incurred which was a saving	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	1	0	0	0	N/A	G			1	1	1	G
D209	T564	Technical Services - WCWDM	Manager WSP - KM	Percentage completion of refurbishment by deadline	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Mechanical Screen replacment	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 1500000 allocated for T563 to T564	R 1327455 allocated for T563 to T564				refurbishment Completed by 31 March 2023	Reason for adjustment Budget adjusted based on actual costs incurred Project is completed	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	N/A	G			100.00%	100.00%	100.00%	G
D211	T566	Technical Services WCWDM	Manager WSP - EB	Number of Activities completed by deadline KZ294	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replacement of Filter Media	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 200000 allocated for T566 to T567	R 42186 allocated for T566 to T567				activity - Appointment of Service Provider completed by end December 2022	Reason for adjustment Budget adjusted	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	1	0	0	0	N/A	G			1	1	1	G
D212	T567	Technical Services WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline Replacement of Filter Media KZ294	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replacement of Filter Media	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 200000 allocated for T566 to T567	R 42186 allocated for T566 to T567				refurbishment Completed by 30 June 2023	Reason for adjustment Baseline updated Budget adjusted	Quarterly	100.00%	Percent	Last Value	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	100.00%	G	Project completed	Nil	100.00%	100.00%	100.00%	G
D213	T568	Technical Services - WCWDM	Manager WSP - EB	Number of Activities completed by deadline KZ291	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replacement of Filter Media	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 500000 allocated for T568 to T569	R 461898 allocated for T568 to T569				activity Appointment of Service Provider completed by end December 2022	Reason for adjustment Budget adjusted	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	1	0	0	0	N/A	G			1	1	1	G
D214	T569	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline Replacement of Filter Media- KZ291	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replacement of Filter Media	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 500000 allocated for T568 to T569	R 461898 allocated for T568 to T569				refurbishment Completed by 31 December 2023	Reason for adjustment Baseline updated Annual target already achieved at bi-annual therefore target reviewed	Quarterly	100.00%	Percent	Last Value	100.00%	100.00%	100.00%	0.00%	100.00%	100.00%	100.00%	0.00%	N/A	G			100.00%	0.00%	100.00%	G
D215	T570	Technical Services WCWDM	Manager WSP - EB	Number of Activities completed by deadline - KZ292	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replacement of Filter Media	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 1000000 allocated for T570 to T571	R 938557 allocated for T570 to T571				Activity - Appointment of Service Provider completed by end December 2022	Reason for adjustment Budget adjusted	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	1	0	0	0	N/A	G			1	1	1	G
D216	T571	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline Replacement of Filter Media- KZ292	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Replacement of Filter Media	To provide sustainable infrastructure that will render sanitation services	Technical Services WCWDM	B502	R 1000000 allocated for T570 to T571	R 938557 allocated for T570 to T571				refurbishment Completed by 30 June 2023	Reason for adjustment Baseline updated Budget adjusted The project is progressing well, therefore Q3 target reviewed	Quarterly	100.00%	Percent	Last Value	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	100.00%	G	Project completed	Nil	100.00%	100.00%	100.00%	G
D217	T572	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Rand value of MIG expenditure on sanitation projects	Rand Value	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes	Rand value of MIG expenditure on sanitation projects (T572-TL008)	Basic Service Delivery and Infrastructure	MIG funding	To provide sustainable infrastructure that will render sanitation services	Technical Services Infrastructure Planning and Implementation	B503	83723346	85016251			70266290	Rand value of MIG expenditure on sanitation projects by end June 2023	Baseline updated Budget adjusted 3rd Special Adjustment Budget- April 2023 Budget reduced Original and adjusted Budget corrected to be inline with allocation.	Quarterly	R73 331 836 00	South African Rands	Last Value	R 81 183 545.00	R73 331 836.00	R83 723 346 00	R70 266 290 00	R72 908 198 00	R83 723 346 00	R13 457 056 00	R70 266 290 00	R72 908 198 00	G2	Expenditure is within the allowable 10% variance		R83 723 346.00	R70 266 290.00	R72 908 198.00	G2
D248	T573	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline Dams and Weirs.	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndwedwe - Waterfall Desilting Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	0	R217 391				refurbishment Completed by 31 December 2022	Municipal Disaster Recovery Grant - Water Distribution	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	N/A				0.00%	100.00%	100.00%	G
D249	T574	Technical Services WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline Renewal Water Supply Infrastructure	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Kwadukuza Shakaville Township Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	0	R3 478 261				refurbishment Completed by 31 December 2022	Municipal Disaster Recovery Grant - Water Distribution	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	N/A				0.00%	100.00%	100.00%	G

Ref	Internal SDBIP Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																														Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D255	TS75	Technical Services - WCWDM	Manager WSP EB	Percentage completion of refurbishment by deadline Electrical Infrastructure MV Networks	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndwedwe Magwaza Underground cable floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R 166 957			refurbishment Completed by 31 December 2022		Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G
D252	TS76	Technical Services WCWDM	Manager WSP -EB	Percentage completion of Upgrading of Pump Station and Construction of Portion A of Driefontein WSS by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Upgrading Pump Station Augmentation of Sokesamban e Water Supply Scheme and Construction of Portion A of Driefontein WSS	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R11 703 450	0		Completion by 30 June 2023	Reason for adjustment: Q3 Target reviewed to be in line with progress to date.	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	Completion by 30 June 2023	100.00%	R	Project completed	N/A	0.00%	100.00%	100.00%	G
D252	TS77	Technical Services WCWDM	Manager WSP EB	Percentage completion of upgrading & refurbishment of dams and water works by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Nsuze & Esidumbini upgrading & refurbishment of dams and water works	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R2 347 826	0		upgrading & refurbishment Completed by 31 March 2023	PROVINCIAL FUNDING Disaster Relief Grant	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G
D253	TS78	Technical Services WCWDM	Manager WSP EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to basic sanitation for domestic purposes and support local economic development	No		Basic Service Delivery and Infrastructure	KwaDukuza Shakaville Township Sewer lines Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8502	0		R6 954 522			refurbishment Completed by 31 December 2022	MIG - NATIONAL FUNDING SEWER - Disaster Relief Grant	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G
D254	TS79	Technical Services WCWDM	Manager WSP EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe Msunduzi pipe repairs - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R260 870			refurbishment Completed by 31 December 2022	National Government: Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G
D255	TS80	Technical Services - WCWDM	Manager WSP -EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe Toti pipe repairs - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R260 870			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G
D256	TS81	Technical Services WCWDM	Manager WSP -EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe eSilengeni pipe repairs - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R260 870			refurbishment Completed by 31 December 2022	National Government: Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G
D257	TS82	Technical Services - WCWDM	Manager WSP -EB	Percentage completion of refurbishment by deadline	Project progress report	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe Cleduksma pipe repairs - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R260 870			refurbishment Completed by 31 December 2022		Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G
D258	TS83	Technical Services - WCWDM	Manager WSP -EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe Mgenzengwa ne eDolphini Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	8501	0		R178 913			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%		0.00%	N/A			0.00%	100.00%	100.00%	G

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																														Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D259	TS84	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe Wosiyane Abstraction - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	0		R373 913			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	R			0.00%	100.00%	100.00%	G
D260	TS85	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	KwaDukuza Doesburg pipeline - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	0		R260 870			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	R			0.00%	100.00%	100.00%	G
D261	TS86	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe - Montebello - Uganda area - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	0		R260 870			refurbishment Completed by 31 December 2022		Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	R			0.00%	100.00%	100.00%	G
D262	TS87	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of borehole construction by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Ndwedwe - KwaSathana borehole - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	0		R86 957			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	R			0.00%	100.00%	100.00%	G
D263	TS88	Technical Services - WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Shaka's Kraal - pipeline - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B501	0		R996 487			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	R			0.00%	100.00%	100.00%	G
D264	TS89	Technical Services WCWDM	Manager WSP - EB	Percentage completion of refurbishment by deadline Sewerage Services	Percentage	To ensure access to basic sanitation for domestic purposes and support local economic development	No		Basic Service Delivery and Infrastructure	KwaDukuza Sewer reticulation - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B502	0		R2 786 957			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	R			0.00%	100.00%	100.00%	G
D265	TS90	Technical Services WCWDM	Manager WSP - KM	Percentage completion of refurbishment by deadline Waste Water Treatment Works	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	No		Basic Service Delivery and Infrastructure	Mandeni - Thukela WWTW - Floods	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B502	0		R173 913			refurbishment Completed by 31 December 2022	National Government Municipal Disaster Relief Grant - OPEX	Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	R			0.00%	100.00%	100.00%	G
D266	TS91	Technical Services WCWDM	Manager WSP - KM	Number of Activities conducted by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Sundumbili Water Works Security Fence	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B503	2000000	1000000				Activities BSC process finalised & BEC process completed by 30 June 2023	Reason for adjustment Budget adjusted Specification changed due to protests which delayed processes in commencing with the project	Quarterly	0	Number	Last Value	New Indicator	New Indicator	0	2	0	0	2	2	Activity 2 - BEC process finalised	0	R	Project could not be advertised due delays on all projects following the new PPPFA changes Target not met	Advertisement will be fast tracked to meet the new financial year targets	0	2	0	R
D267	TS92	Technical Services WCWDM	Manager WSP - KM	Number of Activities completed by deadline Mandeni	Number	To ensure access to basic sanitation for domestic purposes and support local economic development	Yes		Basic Service Delivery and Infrastructure	Sewer Construction of operators room and Ablution facilities at Waste Water Works	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services WCWDM	B502	R600 000 allocated for TS92 to TS93	157135				activities BSC process finalised & BEC process completed by end June 2023	Reason for adjustment Target reviewed as construction is not within the control of Technical Services as it is done off site Budget of R600 000 splitted between Mandeni and Maphumulo	Quarterly	0	Number	Last Value	New Indicator	New Indicator	0	2	0	0	2	2	Activity 2 BEC process finalised	0	R	Project could not be advert sed due to delays following the PPPFA changes.	Advert will be fast tracked to meet the new financial year targets	0	2	0	R

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																														Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D268	TS93	Technical Services WCWDM	Manager WSP - KM	Number of Activities completed by deadline Maphumulo	Number	To ensure access to basic sanitation for domestic purposes and support local economic development	Yes		Basic Service Delivery and Infrastructure	Sewer Construction of Chemical storage room and Ablution facilities at Waste Water Works	[Unspecified]	Technical Services WCWDM	B502	R600 000 allocated for TS92 to TS93	242865				activities BSC process finalised & BEC process completed by end June 2023	Reason for adjustment Target reviewed as construction of containers is not within the control of Technical Services as it is done off site Budget of R600 000 splitted between Mandeni and Maphumulo	Quarterly		Number	Last Value	New Indicator	New Indicator	0	2	0	0	2	2	Activity 2 BEC process finalised	0	R	Project could not be advertised following the PPPFA changes	Advert will be fast tracked to meet theh new financial year targets	0	2	0	R
D269	TS94	Technical Services Water Provision & Authority	District Engineer PM	Percentage completion of boreholes construction by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Refurbishment of reticulation Sanbombo	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Water Provision and Authority	B501	0	R10,459,100				completion of boreholes construction by end June 2023	Reason for adjustment New KPI	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%		50.00%	G	N/A	N/A	0.00%	50.00%	50.00%	G
D270	TS95	Technical Services WCWDM	Manager WSP - EB	Number of activities completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Umvoti water Works Refurbishment	[Unspecified]	Technical Services WCWDM	B501	0	R2,567,661				activity Appointment of Service Provider completed by 30 June 2023	Reason for adjustment New KPI	Quarterly	0	Number	Last Value	New Indicator	New Indicator	0	1	0	0	1	1	Activity 1 Appointment of Service Provider	0	R	The appointment of the service provider is delayed, due to the bidders not returning the bids and the second bidder withdrawing their bid SCM had to reissue the scope documents to invite new bids	Restart the bidding process and extend to a bigger number from the panel of service providers in order to attract more bidders	0	1	0	R
D271	TS96	Technical Services WCWDM	Manager WSP - EB	Number of activities completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Avon pipe peaking power replacemen	[Unspecified]	Technical Services WCWDM	B501	0	2000000				activities Detailed design and construction drawings finalised & Building of pipeline over columns completed by 30 June 2023	Reason for adjustment New KPI	Quarterly	0	Number	Last Value	New Indicator	New Indicator	0	2	1	0	2	2	Activity 2 Building of pipeline over columns	1	R	The 450 meters of steel piping has been purchased and stored inside peaking power plant for safe keeping Sandblasting and galvanizing of pipes is still outstanding Laying and concrete encasing of pipes is still outstanding	Contractor has moved all the pipes to the sandblasting site in Durban for the preparation of the pipes Contractor has moved excavator to site and excavations have commenced to fast track the pipelaying activity Contractor has placed orders for the concrete in order to fast-track the pipe encasing activity	0	2	1	R
D272	TS98	Technical Services WCWDM	Manager WSP - KM	Number of activities completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Generators	[Unspecified]	Technical Services WCWDM	B501	0	1869656				activities - Appointment of Service Provider & Purchase of Generators completed by 30 June 2023	Reason for adjustment New KPI	Quarterly	0	Number	Last Value	New Indicator	New Indicator	0	1	0	0	1	1	Activity - Appointment of Service Provider, Activity 2 Purchase of Generators	0	R	The requisitions were initially prepared to appoint directly from the panel and the process was at order stage but SCM section advised that there Service Providers be invited to bid for the work	The target will be revised, budget adjustment will have to be done to continue with the project in the new financial year	0	1	0	R
D273	TS99	Technical Services - Water Provision & Authority	District Engineer PM	Number of detailed design report completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndulinde Phase 4D	[Unspecified]	Technical Services Water Provision and Authority	B501	0	2433735				Detailed design report completed by 30 June 2023	Reason for adjustment: New KPI	Quarterly	0	Number	Last Value	New Indicator	New Indicator	0	1	1	0	1	1	Detailed design report	1	G		N/A	0	1	1	G
D274	TS100	Technical Services - WCWDM	Manager WSP - EB	Number of boreholes drilled by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	New Borehole Mahawula and Ezimpondweni at Ndwedwe	[Unspecified]	Technical Services WCWDM	B501	0	845250				boreholes drilled by 30 June 2023	Reason for adjustment Sonkomba borehole has a budget from Cogta as a result internal funding is allocated to other areas	Quarterly	0	Number	Last Value	New Indicator	New Indicator	0	2	1	0	2	2	1	R	Siting, drilling of one borehole completed at ward 18 Electrical connections not completed as yet	Fastrack the connection of the Eskom electricity and commission borehole	0	2	1	R
D275	TS101	Technical Services - WCWDM	Manager WSP - EB	Number of sites installed with Telemetry by deadline(TS101 - TS116)	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes	Number of sites installed with Telemetry by deadline (TS101 - TS116)	Basic Service Delivery and Infrastructure	Kearsney, Stanger Manor, Umvoti balancing, Highridge and Warrenton	[Unspecified]	Technical Services WCWDM	B501	0	7000000				sites installed with Telemetry by 30 June 2023	Reason for adjustment New KPI To be included in Top layer	Annually	0	Number	Last Value	New Indicator	New Indicator	0	5	5	0	5	5	5	G	Telemetry installation on 5 sites(Balancing,Kearsney,Stanger Manor, Warrenton, High Ridge) in KwaDukuza completed and operational	Nil	0	5	5	G
D279	TS103	Technical Services WCWDM	Manager WSP - EB	Number of activities completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	KwaDukuza Stanger Waste Water Treatment Works Floods	[Unspecified]	Technical Services WCWDM	B502	0				5417261	Number of activities Appointment of Service Provider completed by 30 June 2023	3rd Special Adjustment Budget April 2023	[Unspecified]	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	Activity 1 Appointment of Service Provider	0	R	SCM processes could not be concluded due to incomplete submission from all service providers the process had to be started all over again the briefing session is scheduled for early next week	Re advertise and call for new service providers to submit fresh bids	1	1	0	R
D280	TS103	Technical Services WCWDM	Manager WSP - EB	Number of activities completed by deadline	Number	To ensure access to basic sanitation for domestic purposes and support local economic developments	Yes		Basic Service Delivery and Infrastructure	Mandeni - Sundumbili Waste Water Treatment Works Floods	[Unspecified]	Technical Services WCWDM	B502	0				5854130	Number of activities - Appointment of Service Provider completed by 30 June 2023	3rd Special Adjustment Budget - April 2023	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	Activity 1 Appointment of Service Provider	0	R	Target could not be met due to SCM processes that could not be concluded timeously	SCM processes restarted and briefing session scheduled for next week	1	1	0	R

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																														Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D281	TS104	Technical Services WCWDM	Manager WSP - B	Number of activities completed by deadline	Number	To ensure access to basic sanitation for domestic purposes and support local economic development	Yes		Basic Service Delivery and Infrastructure	KwaDukuza Industrial Sewer Pump Station Floods	[Unspecified]	Technical Services WCWDM	B502	0				304348	Number of activities Appointment of Service Provider completed 30 June 2023		Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	0	1	Activity 1 Appointment of Service Provider	0	R	SCM processes could not be concluded on time	SCM processes to be rescheduled and concluded timeously	1	1	0	R
D282	TS105	Technical Services WCWDM	Manager WSP - B	Number of activities completed by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	KwaDukuza Design 3 Sewer Pump Station Floods	[Unspecified]	Technical Services WCWDM	B502	0				187609	Number of activities - Appointment of Service Provider completed by 30 June 2023		Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	0	1	Activity 1 Appointment of Service Provider	0	R	SCM processes could not be concluded timeously	re start SCM processes and conclude timeously	1	1	0	R
D283	TS106	Technical Services WCWDM	Manager WSP - B	Number of activities completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Peaking Power Bell Pump Water Pump Station Floods KwaDukuza	[Unspecified]	Technical Services WCWDM	B501	0				791304	Number of activities - Appointment of Service Provider completed by 30 June 2023	3rd Special Adjustment Budget - April 2023	[Unspecified]	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	0	1	Activity 1 Appointment of Service Provider	0	R	SCM processes could not be concluded	Restart SCM processes again	1	1	0	R
D284	TS107	Technical Services WCWDM	Manager WSP - B	Number of activities completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndwedwe Nsuze Water Treatment Works - Floods	[Unspecified]	Technical Services WCWDM	B501	0				608696	Number of activities Appointment of Service Provider completed by 30 June 2023	3rd Special Adjustment Budget - April 2023	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	0	1	Activity 1 Appointment of Service Provider	0	R	Project delayed as the appointment of the new panel of Service Provider was only finalized in May Service Providers were invited but only 1 returned the bid Second attempt for request for proposals has been done and closing date is teh 10th July 2023	Targets will be revised	1	1	0	R
D285	TS108	Technical Services WCWDM	Manager WSP - B	Number of activities completed by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndwedwe Montebello WTW Floods	[Unspecified]	Technical Services WCWDM	B501	0				192957	Number of activities - Appointment of Service Provider completed by 30 June 2023	3rd Special Adjustment Budget - April 2023	Quarterly	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	0	1	Activity 1 Appointment of Service Provider	0	R	Project could not start. Panel of Service providers bid only concluded in May Request for proposals was done but only one Bidder returned It was done for the second attempt and the closing date is the 10th July	Target will be revised for the new financial year	1	1	0	R

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period	2
R	KPI Not Met	0% <= Actual/Target <= 99.999%	23
O	KPI Almost Met	99.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	58
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	11
B	KPI Extremely Well Met	150.000% <= Actual/Target	4
	Total KPIs		98

Report generated on 31 August 2023 at 14:45

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D45	FID001	Finance - Income	Manager: Revenue	Percentage of revenue collection rate by deadline	Percent	To ensure sound revenue management	Percentage revenue collection rate by deadline (FID001 TL013)	Municipal Financial Viability and Management	Revenue Collection	Revenue management	FV01	0					collection rate by end June 2023	Reason for adjustment: Baseline updated	Quarterly	58.00%	Percent	Last Value	65.00%	58.00%	65.00%	65.00%	52.00%	65.00%	0.00%	65.00%		52.00%	R	Target not met. Consumers are still finding it extremely difficult to honor their debts. Some have sighted that they are experiencing economic difficulties. Some are not honoring their arrangements that have been put in place.	Target not met implementation of the credit control and debt collection policy. Staff changes. Staff growth. Tracking of debt collection per week. Targeting consumers where there is consistent water	65.00%	65.00%	52.00%	R
D46	FID002	Finance - Income	Manager: Revenue	Number of reduction of unmetered households by deadline	Number	To ensure sound revenue management	Number of reduction of unmetered households by deadline (FID002 TL014)	Municipal Financial Viability and Management	Unmetered household s	Revenue management	FV01	0					reduction of unmetered households by end June 2023	Reason for adjustments: Baseline updated. Targets adjusted to be in line with progress to date.	Monthly	1 328	Number	Last Value	1 000	1 328	1 000	1 500	1 545	1 000	500	1 500		1 545	G2	Target met as there has been an intense operation with regards to metering households where applications have been made. Also those that have meters on the ground but are not on the financial system. The audit is on an ongoing basis.	Target Met. Ensuring that unmetered households are metered and billed	1 000	1 500	1 545	G2
D47	FID003	Finance - Income	Manager: Revenue	Outstanding service debtors to revenue (Total outstanding service debtors / annual revenue actually received for services) by deadline	Ratio	To ensure sound revenue management		Municipal Financial Viability and Management	Monitoring of revenue collection & Installation of meters	Revenue management	FV01	0					by end June 2023	Reason for adjustment: Baseline updated	Monthly	367:01:00	Ratio	Reverse Last Value	3:01:00	367:01:00	03:01	03:01	189:01:00	03:01	00:01	03:01		189:01:00	R	Target not met. Consumers are finding it hard to honor their debts. Some are experiencing economic difficulties and are being assisted however some are not keeping up to their arrangements that have been entered into	Implementation of the credit control and debt collection policy. Staff changes. Staff growth Assisting consumers who cannot pay Resolving outstanding queries timeosly.	03:01	03:01	189:01:00	R
D48	FID004	Finance - Income	Manager: Revenue	Percentage accuracy in billing by deadline	Percent	To ensure sound revenue management	Percentage accuracy in billing by deadline (FID004 TL015)	Municipal Financial Viability and Management	Accuracy in billing	Revenue management	FV01	0					accuracy in billing by end June 2023	Reason for adjustment: Baseline updated. Targets adjusted to be in line with progress to date	Monthly	99.98%	Percent	Last Value	95.00%	99.98%	95.00%	98.00%	99.00%	95.00%	3.00%	98.00%		99.00%	G2	Target met. Ensuring all meters are billed accordingly. Tracking of meter reading schedule on a weekly basis	Target Met.	95.00%	98.00%	99.00%	G2
D49	FID005	Finance - Income	Manager: Revenue	Percentage of households earning less than R4000 per month with access to free basic services	Percent	To ensure sound revenue management		Municipal Financial Viability and Management	Indigent Debtors Management	Revenue management	FV01	0					by end June 2023		Monthly	100.00%	Percent	Last Value	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%		100.00%	G	Target met. Ensuring all indigent consumers receive their applicable allocation and support. Continuously updating the indigent register as applications are approved.	Target met.	100.00%	100.00%	100.00%	G
D50	FID006	Finance - Budget & Compliance	Manager: Budget & Compliance	Number of monthly financial statements prepared by deadline	Number	To ensure sound budgeting and compliance principles		Municipal Financial Viability and Management	Quality, reliable financial statements and management information	Budget and compliance monitoring	FV02	0					monthly financial statements prepared by end June 2023 (Including June 2022 AFS)	Reason for adjustment: Baseline updated	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
D51	FID007	Finance - Budget & Compliance	Manager: Budget & Compliance	Submission of monthly reports by deadline	Number	To ensure sound budgeting and compliance principles		Municipal Financial Viability and Management	Compliance with MFMA regulations	Budget and compliance monitoring	FV02	0					monthly reports not submitted later than 10 working days after the end of each month	Reason for adjustment: Baseline updated	Monthly	48	Number	Last Value	48	48	48	48	48	48	0	48		48	G			48	48	48	G
D52	FID008	Finance - Budget & Compliance	Manager: Budget & Compliance	Submission of quarterly reports by deadline	Number	To ensure sound budgeting and compliance principles	Submission of quarterly reports by deadline (FID008-TL016)	Municipal Financial Viability and Management	Compliance with MFMA regulations	Budget and compliance monitoring	FV02	0					quarterly reports not submitted later than 24 working days after end of each quarter	Reason for adjustment: Baseline updated This KPI measures quarterly reports, that is BM, FMG & IM. Removed quarterly verification reports for Q3 & Q4 as they are prepared by National Treasury and the municipality confirms the figures.	Quarterly	28	Number	Last Value	28	28	28	20	20	28	8	20		20	G			28	20	20	G

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																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D53	FID009	Finance - Budget & Compliance	Manager: Budget & Compliance	Percentage budget of Repairs & Maintenance allocated	Percent	To ensure sound budgeting and compliance principles		Municipal Financial Viability and Management	Repairs and maintenance budget allocation	Repairs and maintenance budget allocation	FV02	0					by end May 2023		Annually	0.00%	Percent	Last Value	New Indicator	New Indicator	2.00%	2.00%	3.20%	0.00%	0.00%	0.00%		3.20%	R	The reason for variance is due to increase in the budgeted Property Plant & Equipment considering the additional grants that were allocated during the month of December 2022 and March 2023.		2.00%	2.00%	3.20%	R
D54	FID010	Finance - Budget & Compliance	Manager: Budget & Compliance	Number of Clean audit opinion report received from AG for 2021/2022 financial year	Number	To achieve a clean audit opinion	Number of Clean audit opinion report received from AG for 2021/2022 financial year by deadline (FID010-TL017)	Municipal Financial Viability and Management	Clean audit opinion	Budget and compliance monitoring	FV03	0					Clean audit opinion report received from AG for 2021/2022 financial year by 31 December 2022	Reason for adjustment: Corrected Strategic objective and KPA	Annually	0	Number	Stand-Alone	1	0	1	1	0	0	0	0	0	A			1	1	0	R
D55	FID011	Finance - Budget & Compliance	Manager: Budget & Compliance	Number of Annual Financial Statements submitted to AG by deadline	Number	To achieve a clean audit opinion		Municipal Financial Viability and Management	Clean audit opinion	Budget and compliance monitoring	FV03	0					2021/2022 AFS submitted to AG by 31 August and 30 Sept 2022	Reason for adjustment: Corrected Strategic objective and KPA	Annually	2	Number	Stand Alone	2	2	2	2	2	0	0	0	0	N/A			2	2	2	G
D56	FID012	Finance - Budget & Compliance	Manager: Budget & Compliance	Percentage progress on audit queries resolving plan for the finance department by deadline	Percent	To achieve a clean audit opinion		Municipal Financial Viability and Management	Quality, reliable financial statements and management information	Budget and compliance monitoring	FV03	0					progress on audit queries resolving plan for the finance department by end June 2023	Reason for adjustment: Baseline updated	Quarterly	81.00%	Percent	Last Value	80.00%	81.00%	80.00%	80.00%	90.00%	80.00%	0.00%	80.00%		90.00%	G2			80.00%	80.00%	90.00%	G2
D57	FID013	Finance - Budget & Compliance	Manager: Budget & Compliance	Number of repeat findings in the auditor generals management report for the finance department by deadline	Number	To achieve a clean audit opinion	Number of repeat findings in the Auditor General's management report by deadline (FID013-TL018)	Municipal Financial Viability and Management	Quality, reliable financial statements and management information	Budget and compliance monitoring	FV03	0	0				repeat findings for the finance department by end June 2023	Reason for adjustment: Baseline updated	Annually	2	Number	Reverse Stand-Alone	0	2	0	0	2	0	0	0	2	R			0	0	2	R
D58	FID014	Finance - Expenditure	Manager: Expenditure	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	Number	To ensure sound expenditure management	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) (FID014-TL019)	Municipal Financial Viability and Management	Liquidity Management (Pg 7 of MFMA circular 71)	Cashflow Management	FV04	0					days cash on hand by 30 June 2023	Reason for adjustment: Baseline updated	Monthly	64	Number	Last Value	30	64	60	60	83	60	0	60	83	G2	This indicator is largely (positively) impacted by the high level of cash reported for the period ended 30 June 2023. Management has been	No corrective measures are necessary	60	60	83	G2
D59	FID015	Finance - Expenditure	Manager: Expenditure	Current Ratio	Ratio	To ensure sound expenditure management		Municipal Financial Viability and Management	Current Ratio (Pg 7 & 8 of MFMA circular 71)	Working capital management	FV04	0					Current Ratio by 30 June 2023	Reason for adjustment: Baseline updated	Monthly	1.93:1	Ratio	Last Value	1.50:1	1.93:1	1.50:1	1.50:1	2.64:1	1.50:1	00:01	1.50:1	2.64:1	B	This indicator is largely (positively) impacted by the high level of cash reported for the period ended 30 June 2023. Management has been implementing the financial recovery strategy over the five past years. This strategy involved creating cash reserves and applying cost containment measures. This has resulted in improvement in the liquidity position of the Municipality. These factors have enabled the Municipality to over achieve its liquidity target	No corrective measures are necessary	1.50:1	1.50:1	2.64:1	B
D60	FID016	Finance - Expenditure	Manager: Expenditure	Payment of creditors (Pg 16 of MFMA circular 71)	Number	To ensure sound expenditure management		Municipal Financial Viability and Management	Payment of creditors (Pg 16 of MFMA circular 71)	Debt Management	FV04	0	0				days taken for trade creditors to be paid by 30 June 2023	Reason for adjustment: Baseline updated	Monthly	34	Number	Reverse Last Value	30	34	30	30	26	30	0	30	26	B	The efficiency in terms of paying creditors has improved significant over time. This is largely attributable to the improved liquidity position of the Municipality. Management has been implementing the financial recovery strategy over the five past years. This strategy involved creating cash reserves and applying cost containment measures. This has resulted in improvement in the liquidity position of the Municipality. As a result, the Municipality has been able to consistently service its debt obligations (including payment of creditors) religiously	No corrective measures required	30	30	26	B

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23								Overall Performance for July 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D61	FID017	Finance - Expenditure	Manager: Expenditure	Remuneration costs monitoring (Pg 17 of MFMA circular 71)	Percent	To ensure sound expenditure management		Municipal Financial Viability and Management	Remuneration costs monitoring(Pg 17 of MFMA circular 71)	Expenditure management	FV04	0		0			Remuneration costs by 30 June 2023	Reason for adjustment: Baseline updated The number of vacant posts to be filled has been reduced during the adjustment budget, therefore target reviewed.	Monthly	27.00%	Percent	Reverse Last Value	35.00%	27.00%	35.00%	30.00%	23.00%	35.00%	-5.00%	30.00%		23.00%	R	Achieved outcome is within the targeted indicator and the baseline according to historical trends	No corrective measures are necessary	35.00%	30.00%	23.00%	R
D62	FID018	Finance - Supply Chain Management	Manager: Supply Chain Management	Percentage progress in implementing procurement plan by deadline	Percent	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	Percentage progress in implementing procurement plan by deadline (FID018-TL020)	Municipal Financial Viability and Management	Implementation of demand management	Supply chain management	FV05	0					progress in implementing procurement plan by end June 2023	Reason for adjustment: Baseline updated	Monthly	57.14%	Percent	Last Value	80.00%	57.14%	100.00%	100.00%	59.37%	100.00%	0.00%	100.00%		59.37%	R	Some project processes we due to start late in the financial year however some of these projects have not been finalised and has affected the percentage of hte proc plan	User departments should finalise processes sooner however if these processes are finalised late in the year most likely it will overlap into the new year. These projects will be inflarised in the new financial year	100.00%	100.00%	59.37%	R
D63	FID019	Finance - Supply Chain Management	Manager: Supply Chain Management	Number of days for finalization of tender awards (SCM processes) by deadline	Number	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	Number of days for finalisation of tender awards (scm processes) by deadline (closing date of an advert to the date of award with no objections) (FID019-TL021)	Municipal Financial Viability and Management	Implementation of acquisition management	Supply chain management	FV05	0					calendar days for finalization of tender awards by end June 2023	Reason for adjustment: Baseline updated	Quarterly	128	Number	Reverse Last Value	90	128	90	90	158	90	0	90		158	R	TS/228 - Evaluation of the project was time consuming due to the number of bidders that applied to be on the panel TS/229 - There was a discrepancy in the pricing due to the awarded bidders price, meetings wer eheld with the service provider to resolve the issue which resulted in a longer period for the finalisation of the bid.	These were situations which are not in control of the Municipality however there will be such delays if the above circumstances do arrise	90	90	158	R
D64	FID020	Finance - Supply Chain Management	Manager: Supply Chain Management	Number of consolidated quarterly reports on performance of service providers prepared by deadline	Number	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework		Municipal Financial Viability and Management	Contract management	Supply chain management	FV05	0					consolidated reports on performance of service providers prepared by end June 2023	Reason for adjustment: Baseline updated.	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	Wors rpeort to be submitted once signed	none	4	4	4	G
D65	FID021	Finance - Asset Management	Manager: Assets & Logistics Management	Number of asset verification on movable assets including 2021/22 4th quarter conducted by deadline	Number	To ensure sound and effective asset management	Number of asset verification on Movable assets including 2020/2021 4th quarter by deadline (FID021 TL022)	Municipal Financial Viability and Management	Conduct Asset Verification for Quality and a reliable fixed asset register	Assets and logistics management	FV06	0					asset verification on movable assets conducted by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	N/A	N/A	4	4	4	G
D66	FID022	Finance - Asset Management	Manager: Assets & Logistics Management	Number of asset verification on immovable assets for 2021/2022 FY by deadline	Number	To ensure sound and effective asset management	Number of asset verification on Immovable assets - for 2020/2021 FY by deadline (FID022 TL023)	Municipal Financial Viability and Management	Conduct Asset Verification for Quality and a reliable fixed asset register	Assets and logistics management	FV06	0					asset verification on immovable assets by end September 2022	Reason for adjustment: Baseline updated	Annually	1	Number	Last Value	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G
D67	FID023	Finance - Finance	Chief Financial Officer	Number of CFO Forum meetings held by deadline	Number	Compliance and good Governance		Good Governance and Public Participation	Promote Intergovernmental Relations	To ensure effectiveness of Intergovernmental Relations	GP04	0					CFO Forum meetings held by 30 June 2023	Reason for adjustment: Baseline updated.	Quarterly	4	Number	Last Value	4	4	4	4	3	4	0	4		3	R	Quarter 3 Not reported	Quarter 3 Not reported	4	4	3	R

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																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D68	FID024	Finance - Finance	Chief Financial Officer	Number of updated risk monitoring tool submitted by the finance department by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes		Good Governance and Public Participation	Risk management	To ensure effective Risk management	GP06	0					updated risk monitoring tool submitted by the finance department by 30 June 2023	Reason for adjustment: Baseline updated	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
D69	FID025	Finance - Finance	Chief Financial Officer	Number of performance reviews conducted quarterly between Senior Manager and Managers by deadline	Number	To ensure effective Performance Management		Good Governance and Public Participation	Performance Reviews	People management	GP07	0					performance reviews conducted between Senior Manager and Managers by end June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	3	4	0	4		3	R	Quater 3 performance reviews not reported.	Quater 3 performance reviews not reported	4	4	3	R

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0% <= Actual/Target <= 98.999%	8
O	KPI Almost Met	99.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	9
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	4
B	KPI Extremely Well Met	150.000% <= Actual/Target	4
	Total KPIs:		25

Report generated on 31 August 2023 at 10:21

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																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D70	CPS001	Corporate Services - Human Resources	Manager: Human Resources	Number of reveiwed/developed policies submitted to Exco and Council by deadline	Number	To establish an efficient and productive administration	Number of reveiwed/developed policies submitted to Exco and Council by deadline (CPS001-TL108)	Municipal Institutional Development and Transformation	Recruitment	Corporate Services: Human Resources	MTI01	0					Policies reviewed/developed and submitted to Exco & Council by end June 2023	Reason for adjustment: Baseline updated	Annually	0	Number	Last Value	2	0	4	4	0	4	0	4	reviewed policies submitted to Exco & Council	0	R	CDraft Policies were developed and consulted with all stakeholders. Council requested a detailed workshop before adopting The scheduled sessions were postponed due to other Council pressing issues.	Rescheduling of Council workshop and Council meeting to adopt policies to be done within the 1st quarter of 2023/2024	4	4	0	R
D71	CPS002	Corporate Services - Human Resources	Manager: Human Resources	Number of activities conducted to ensure that developed/review policies are submitted to Exco and Council by deadline	Number	To establish an efficient and productive administration		Municipal Institutional Development and Transformation	Recruitment	Corporate Services: Human Resources	MTI01	0					Activities - Conduct research and review policies, Consultative draft policies workshop with PA & HR Portfolio committee and Present draft policies to Manco/LPA & LLF conducted to ensure that developed policies are submitted to Exco & Council by end March 2023	Reason for adjustment: Baseline updated.	Quarterly	0	Number	Last Value	3	0	3	3	2	0	0	0		0	N/A	Policies have been reviewed, however consultations with the Unions are still in progress which delayed the process of all reviewed policies to be submitted to EXCO and Council for approval.	Final report to be presented at EXCO and Council after consultations are done in the next financial year.	3	3	2	R
D72	CPS003	Corporate Services - Human Resources	Manager: Human Resources	Number of Reviewed and adopted staff establishment within 12 months of New council inauguration by deadline	Number	To establish an efficient and productive administration		Municipal Institutional Development and Transformation	Staff establishment	Corporate Services: Human Resources	MTI01	0					Staff establishment reviewed and adopted within 12 months of New council inaugaration by end September 2022	Reason for adjustment: Baseline updated	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	1	0	0	0		0	N/A			1	1	1	G
D73	CPS004	Corporate Services - Human Resources	Manager: Human Resources	Percentage of budgeted posts filled as per approved staff establishment by deadline	Percent	To establish an efficient and productive administration	Percentage of budgeted posts filled as per approved staff establishment by deadline (CPS004-TL024)	Municipal Institutional Development and Transformation	Recruitment	Corporate Services: Human Resources	MTI01	0					Percentage of budgeted posts filled as per approved staff establishment by end June 2023	Reason for adjustment: Target reviewed to be in line with progress to date	Monthly	0.00%	Percent	Last Value	New Indicator	New Indicator	80.00%	85.00%	81.00%	80.00%	5.00%	85.00%		81.00%	R	Challenge is that there is no control of terminations and there has been a high volume of terminations in this financial year	Target to be met in Q1 of the new financial year as posts were advertised and the recruitment processes are currently underway.	80.00%	85.00%	81.00%	R
D74	CPS005	Corporate Services - Human Resources	Manager: Human Resources	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by deadline	Number	To establish an efficient and productive administration		Municipal Institutional Development and Transformation	Recruitment	Corporate Services: Human Resources	MTI01	0					Employed by end June 2023	Reason for adjustments: Baseline updated	Annually	0	Number	Last Value	1	0	1	1	0	1	0	1		0	R	The equity target is a strategic objective that is prescribed through legislation. The EEP of the Municipality requires 1 person in terms of the designated group. The designated group consist of females, Coloureds, Indians, or whites. There is already 1 female who is already in existence, i.e., Senior Manager: Technical Services	This target is already met and will be removed in the 2023/2024 financial year of be made N/A	1	1	0	R
D75	CPS006	Corporate Services - Human Resources	Manager: Human Resources	Number of reports on Employment Equity Plan submitted to Department of Labour by deadline	Number	To establish an efficient and productive administration		Municipal Institutional Development and Transformation	Recruitment	Corporate Services: Human Resources	MTI01	0					Report on Employment Equity Plan submitted to Department of Labour by 15 January 2023		Quarterly	1	Number	Last Value	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G

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																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D76	CPS007	Corporate Services : Human Resources	Manager: Human Resources	Percentage of municipality's budget actually spent on implementing the approved WSP by deadline	Percent	To establish an efficient and productive administration	Percentage municipality's budget actually spent on implementing the approved WSP by deadline (CPS007 TL026)	Municipal Institutional Development and Transformation	Skills retention	Corporate Services Human Resources	MTI01	R2,627,325					Municipality budget spent by end June 2023	Reasons for adjustment: Baseline updated. Q3 target reviewed to ensure that, it is realistic	Quarterly	0.61%	Percent	Last Value	0.01	0.61	1.00%	1.00%	0.25%	1.00%	0.00%	1.00%		0.25%	R	Technical Services trainings were not approved (plumbing, water and wastewater). Hence, training budget could not be spent. The procurement process starting from the existing panel of service providers to the full advertisement and scm selection process through Bid Committees, consistently had 1 service provider who responded. Approval was not granted on the grounds of the risk on the capacity of the service provider to conduct all the trainings listed.	The planned trainings that were not done in the 2022/23 FY will be done in the new financial year and budget will be spent accordingly Re-advertisement to be done	1.00%	1.00%	0.25%	R
D77	CPS008	Corporate Services : Human Resources	Manager: Human Resources	Percentage of employees trained in accordance with the WSP by deadline	Percent	To establish an efficient and productive administration	Percentage of employees trained in accordance with the WSP by deadline (CPS008-TL027)	Municipal Institutional Development and Transformation	Skills retention	Corporate Services: Human Resources	MTI01	0					Employees trained in accordance with the WSP by end June 2023	Reason for adjustment: Baseline updated. KPA corrected to be in line with implementation plan	Quarterly	47.00%	Percent	Last Value	0.35	0.47	90.00%	90.00%	5.75%	90.00%	0.00%	90.00%		5.75%	R	Technical Services trainings were not approved (Plumbing, water and wastewater). Only 1 service provider was approved for all trainings. Although 5 employees were trained in June but only 2 were added on the list of trained employees as 3 employees were already trained. It should be also noted that 36 employees trained were not on WSP. The procurement process starting from the existing panel of service providers to the full advertisement and scm selection process through Bid Committees, consistently had 1 service provider who responded. Approval was not granted on the grounds of the risk on the capacity of the service provider to conduct	All trainings that were not done in the 2022/23 FY will be done in the new financial year	90.00%	90.00%	5.75%	R
D78	CPS009	Corporate Services : Human Resources	Manager: Human Resources	Number District Human Resource Plan reviewed and adopted by deadline	Number	To establish an efficient and productive administration	Number District Human Resource Plan reviewed and adopted by deadline (CPS009 TL109)	Municipal Institutional Development and Transformation	Recruitment	Corporate Services: Human Resources	MTI01	0					District Human Resource Development Strategy/Plan reviewed and adopted by end June 2023	Reason for adjustment: KPA corrected to be in line with implementation plan	Annually	0	Number	Last Value	New indicator	New indicator	1	1	0	1	0	1		0	R	Draft District Human Resource Development Strategy/Plan reviewed and consulted with all stakeholders. Council requested a detailed workshop before adopting The scheduled sessions were postponed due to other Council pressing issues.	Rescheduling of Council workshop and Council meeting to adopt policies to be done within the 1st quarter of 2023/2024	1	1	0	R
D79	CPS010	Corporate Services Human Resources	Manager: Human Resources	Number of reports on implementation of District Human Resource Development Strategy/Plan	Number	To establish an efficient and productive administration	Number of reports on implementation of District Human Resource Development Strategy/Plan by deadline (CPS010-TL025)	Municipal Institutional Development and Transformation	Recruitment	Corporate Services: Human Resources	MTI01	0					Reports on implementation of District Human Resource Development Strategy/Plan by end June 2023	Reason for adjustment: Baseline updated. KPA corrected to be in line with implementation plan	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D80	CPS011	Corporate Services Human Resources	Manager: Human Resources	Number of Workplace Skills Plan (WSP) & Annual Training Report (ATR) completed and submitted by deadline	Number	To establish an efficient and productive administration		Municipal Institutional Development and Transformation	Skills retention	Corporate Services Human Resources	MTI01	0					WSP & ATR to LGSETA by 30 April 2023	Reason for adjustment: Baseline updated. KPA corrected to be in line with implementation plan	Annually	1	Number	Stand Alone	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G
D81	CPS012	Corporate Services Human Resources	Manager: Human Resources	Number of employee wellness programmes held by deadline	Number	To establish an efficient and productive administration	Number of employee wellness programmes held by deadline (CPS012 TL028)	Municipal Institutional Development and Transformation	Employee wellness	Corporate Services: Human Resources	MTI01	R104,389	R81,514				Employee wellness programmes held by end June 2023	Reason for adjustment: Baseline updated. Budget adjusted	Quarterly	6	Number	Last Value	5	6	4	4	4	4	0	4		4	G			4	4	4	G

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																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D82	CPS013	Corporate Services - Human Resources	Manager: Human Resources	Number of activities completed on implementation of IPMS to Task Grade 14-15 by deadline	Number	To ensure effective individual Performance Management	Number of activities completed on Implementation of IPMS to Task Grade 14-15 by deadline (CPS013-TL029)	Municipal Institutional Development and Transformation	Individual Performance Management (IPMS)	Corporate Services Human Resources	MTI02	0					Activities - Develop performance, signed performance plans, Mid-term Review of performance plans and Report of performance of Task grade 14-15 submitted to MANCO completed on Cascading of IPMS by end June 2023	Reason for adjustment Baseline updated. KPA corrected to be in line with implementation plan	Quarterly	3	Number	Last Value	4	3	4	4	0	4	0	4	Activity 4 Report of performance of Task grade 14-15 submitted to MANCO	0	R	Performance reviews could not be done because Managers had not signed Performance Plans with the Senior Managers and MM.	The HR-IPMS will set deadline dates for the signing of Performance Plans which if not, the matter gets elevated to MANCO, EXCO, and Council.	4	4	0	R
D83	CPS014	Corporate Services - Human Resources	Manager: Human Resources	Number of reports on implementation of Occupational Health & Safety Plan and Policy by deadline	Number	To ensure the municipality provides a safe working environment	Number of reports on Implementation of Occupational Health & Safety Plan and Policy by deadline (CPS014 TL030)	Municipal Institutional Development and Transformation	Occupational Health & Safety Plan (OHS)	Corporate Services: Human Resources	MTI03	0					Reports on implementation of Occupational Health & Safety Plan and Policy by end June 2023	Reason for adjustment: Baseline updated. KPA corrected to be in line with implementation plan	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G	For the month of May, the Municipal Manager did not sign the report as the LPA meeting did not take place		12	12	12	G
D84	CPS015	Corporate Services - Human Resources	Manager: Human Resources	Review and adoption of Occupational Health & Safety Plan and Policy by deadline	Number	To ensure the municipality provides a safe working environment		Municipal Institutional Development and Transformation	Occupational Health & Safety Plan (OHS)	Corporate Services: Human Resources	MTI03	0					Reviewed and adopted plan by June 2023	Reason for adjustment: KPA corrected to be in line with implementation plan	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1		0	R	OH&S Plan and Policy has been reviewed, however it has not yet been adopted due to challenges being experienced with the sitting of Council meetings	OH&S Plan and Policy to be adopted by Council in July 2023	1	1	0	R
D85	CPS016	Corporate Services - Support Services	Manager: Support Services	Number of Council meetings held by deadline	Number	To ensure effective and efficient administration in compliance with legal requirements	Number of Council meetings held by deadline (CPS016-TL031)	Municipal Institutional Development and Transformation	Council meetings held	Corporate Services: Support Services	MTI04	0					Council meetings held by end June 2023	Reason for adjustment: Baseline updated. Target reviewed as Annual target exceeded at bi-annual due to special meetings held.	Quarterly	11	Number	Last Value	9	11	4	11	15	4	7	11		15	G2	Target exceed due to Special meetings.		4	11	15	G2
D86	CPS017	Corporate Services - Support Services	Manager: Support Services	Number of Exco meetings held by deadline	Number	To ensure effective and efficient administration in compliance with legal requirements	Number of Exco meetings held by deadline (CPS017-TL032)	Municipal Institutional Development and Transformation	Exco meetings held	Corporate Services: Support Services	MTI04	0					Exco meetings held by end June 2023	Reason for adjustment: Baseline updated	Monthly	21	Number	Last Value	20	21	24	24	20	24	0	24		20	R	Reason for not meeting the target. Council was already on recess on the date of the second meeting of December, The Exco meetings of February 2023, April 2023 and May 2023 sat only once. This was as per the Chairperson request due to other Council commitments	Going forward, we will ensure that meetings are held in line with the legislation.	24	24	20	R
D87	CPS018	Corporate Services - Support Services	Manager: Support Services	Number of Portfolio Committees held by deadline (Finance, EDP, LPA & LR, Infrasturucture & Technical)	Number	To ensure effective and efficient administration in compliance with legal requirements		Municipal Institutional Development and Transformation	Portfolio Committees meetings held	Corporate Services Support Services	MTI04	0					Portfolio Committees held by end June 2023	Reason for adjustment: Baseline updated. Bi-annual target was not met due to Council recess in December 2022 as a result meetings were not held. Also, Finance portfolio committee meetings were not held due to lack of	Monthly	29	Number	Last Value	33	29	48	33	37	48	-9	33		37	R	The EDP meeting scheduled for May 2023 did not sit due to quorum, but the notice was sent out. The ITPC scheduled for March 2023 was forwarded to the first week of April 2023 due to Council by-elections in Mandeni.	Going forward, we will ensure that meetings are held in line with the legislation	48	33	37	R
D88	CPS019	Corporate Services - Support Services	Manager: Support Services	Number of MPAC meetings held by deadline	Number	To ensure effective and efficient administration in compliance with legal requirements		Municipal Institutional Development and Transformation	Municipal Public Account Committee meetings held	Corporate Services: Support Services	MTI04	0					MPAC meetings held by end June 2023	Reason for adjustment: Baseline updated	Quarterly	2	Number	Last Value	3	2	4	4	4	4	0	4		4	G	Target achieved but the one for the quarter did not sit due to other Council business, but the notice was sent out		4	4	4	G
D89	CPS020	Corporate Services - Support Services	Manager: Support Services	Number of Audit Committees meetings held by deadline	Number	To ensure effective and efficient administration in compliance with legal requirements		Municipal Institutional Development and Transformation	Audit Committees meetings held	Corporate Services: Support Services	MTI04	0					Audit Committees meeting held by end June 2023	Reason for adjustments Baseline updated. Annual target exceeded at bi annual	Quarterly	3	Number	Last Value	4	3	4	9	8	4	5	9		8	R	The original target which is 4 was met. But the target was adjusted to 9. The anticipated meeting for June did not sit.	Going forward, we will ensure that meetings are held in line with the legislation	4	9	8	R

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D90	CPS021	Corporate Services - Support Services	Manager: Support Services	Number of feasibility study completed to acquire new building by deadline	Number	To ensure effective and efficient administration in compliance with legal requireme	Number of feasibility study completed to acquire new building by deadline (CPS021 TL117)	Municipal Institutional Development and Transformation	New municipal buildings	Corporate Services Support Services	MTI04	R2,500,000	R2,000,000				Feasibility study done to acquire new building by 30 June 2023	Reason for adjustment: Budget adjusted	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	1		0	R	The exercise / project to be performed is highly specialized and technical. The procurement process of the suitable service provider was not concluded at the close of the financial year.	The feasibility study will be completed in the 2023/2024 financial year	1	1	0	R
D91	CPS022	Corporate Services - Support Services	Manager: Support Services	Number of monthly Fleet management reports completed by deadline	Number	To ensure efficient, effective, economic and transparent utilisation of fleet managem ent	Number of monthly Fleet manageme nt reports completed by deadline (CPS022 TL033)	Municipal Institutional Development and Transformation	Fleet management	Corporate Services Support Services	MTI05	0					Monthly Fleet management reports completed by 30 June 2023	Reason for adjustment: Baseline updated. KPI adjusted to ensure that, it is well defined	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
D96	CPS023	Corporate Services - Information Technology	Manager: ICT	Number of ICT strategy project plans developed by deadline (Internal Audit System & Network Infrastructure)	Number	To provide an innovative , effective and efficient Information and Communic ation Technolog y services	Number of ICT strategy project plans developed by deadline (Internal Audit system, Network Infrastructure,) (CPS023 TL035)	Municipal Institutional Development and Transformation	ICT strategy	Corporate Services - Information Technology	MTI07	R5,500,000	R3,100,000				ICT project plans developed by end June 2023	Reason for adjustment: Baseline updated Removed, LAN Upgrade (Phase 2) is delayed as it is dependent on Technical Service Offices refurbishment.	Annually	3	Number	Stand-Alone	4	3	2	2	0	2	0	2		0	R	1. The Internal Audit System project was not achieved due to delays in the approval of requisitions to start the SCM processes. As at end of June 2023, the project was at evaluation stage after receipt of proposals from service providers. 2.The The Network Security project under Network Infrastructure project was not achieved due to delays in the approval of requisitions to start the SCM processes. As at end of June 2023, the project was at adjudication stage after the BEC concluded the evaluation of proposals	Approvals of projects by Senior Management are crucial to the successful implementation of these projects in order to achieve the project objectives	2	2	0	R
D97	CPS024	Corporate Services - Information Technology	Manager: ICT	Number of reports on the implementation of the ICT Governance framework	Number	To provide an innovative , effective and efficient Information and Communic ation Technolog y services	Number of reports on the implement ation of the ICT Governanc e framework by deadline (CPS024 TL036)	Municipal Institutional Development and Transformation	ICT Governance Framework	Corporate Services: Information Technology	MTI07	0					Reports on the implementation of the ICT Governance framework by 30 June 2022	Reason for adjustment: Baseline updated implementation plan target for Year 1 that is 2022/2023 - Development and adoption of ICT Strategy & Governance Framework, could not be measured on SDBIP as there are budget challenges to appoint the Service Provider. Original Target moved to next fy	Quarterly	0	Number	Last Value	2	0	2	2	0	2	0	2	2 report on the implementation of the ICT Governance framework	0	R	This is a strategic KPI which is part of the implementation plan, and therefore cannot be taken out even though the budget was not there in the 2022/2023 financial year The budget limitations led to it being deferred for implementation in the 2023/2024 financial year	Budget provision has been made for the new financial year, i.e., 2023/2024 to achieve this target.	2	2	0	R
D98	CPS025	Corporate Services - Information Technology	Manager: ICT	Percentage Implementation of Telephone management system at remote offices (Sundumbili & Maphumulo) by deadline	Percent	To provide an innovative , effective and efficient Information and Communic ation Technolog y services	Percentage Implement ation of Telephone manageme nt system at remote offices by deadline (CPS025 TL038)	Municipal Institutional Development and Transformation	Telephone Management system	Corporate Services: Information Technology	MTI07	R2,750,000	R3,300,000				Implementation of Telephone management system by 30 June 2023	Reason for adjustment: Baseline updated. Budget adjusted	Quarterly	74.00%	Percent	Last Value	100%	74%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%		######	G			100.00%	100.00%	100.00%	G
D99	CPS026	Corporate Services - Information Technology	Manager: ICT	Number of reports on the maintenance of ICT infrastructure by deadline	Number	To provide an innovative , effective and efficient Information and Communic ation Technolog y services	Number of reports on the maintenan ce of ICT infrastruct ure by deadline (CPS026 TL037)	Municipal Institutional Development and Transformation	Functional ICT infrastructure	Corporate Services: Information Technology	MTI07	0					Reports on the maintenance of ICT infrastructure by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D100	CPS027	Corporate Services - Corporate Services	Senior Manager Corporate Services	Number repeat findings for the Corporate services department by deadline	Number	To achieve a clean audit opinion		Municipal Financial Viability and Management	Compliance with MFMA and clean administratio n	Corporate Services: Corporate Services	FV03	0					Repeat findings for the Corporate services department by end December 2022	Reason for adjustment: Baseline updated	Bi-monthly	12	Number	Reverse Stand Alone	0	12	0	0	5	0	0	0		0	N/A	The repeat findings were as a result of on going multi year projects to resolve the findings.	The multi year projects will be completed in the new financial year	0	0	5	R

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D101	CPS028	Corporate Services - Corporate Services	Senior Manager: Corporate Services	Percentage progress on audit queries resolving plan for the Corporate Services department by deadline	Percent	To achieve a clean audit opinion		Municipal Financial Viability and Management	Compliance with MFMA and clean administration	Corporate Services: Corporate Services	FV03	0					Progress on audit queries resolving plan for the Corporate Services department by end June 2023	Reason for adjustment: Baseline updated	Quarterly	80.00%	Percent	Last Value	80%	80%	80.00%	80.00%	82.00%	80.00%	0.00%	80.00%		82.00%	G2	AG recommendations have been implemented to ensure that queries are resolved.		80.00%	80.00%	82.00%	G2
D102	CPS029	Corporate Services - Corporate Services	Senior Manager: Corporate Services	Number of Corporate Services sub Forum meetings held by deadline	Number	Compliance and good Governance		Good Governance and Public Participation	Promote Intergovernmental Relations	Corporate Services: Corporate Services	GP04	0					Corporate Services meetings held by end June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	0	4	0	4		0	R	Acting Senior Manager to discuss with PMS & MM with regards to the non-sitting of the CS forum.	DCSF Chairperson to consolidate all LM reports for submission to the Technical	4	4	0	R
D103	CPS030	Corporate Services - Corporate Services	Senior Manager: Corporate Services	Number of updated risk monitoring tool submitted for the Corporate services department by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems and		Good Governance and Public Participation	Risk management	Corporate Services: Corporate Services	GP06	0					Updated risk monitoring tool submitted for the Corporate services department by end June 2023	Reason for adjustment: Baseline updated	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
D104	CPS031	Corporate Services - Corporate Services	Senior Manager: Corporate Services	Number of performance reviews conducted quarterly between Senior Manager and Manager's by deadline	Number	To ensure effective Performance Management		Good Governance and Public Participation	Performance Reviews	Corporate Services: Corporate Services	GP07	0					Performance reviews condcuted between Senior Manager and Manager by end June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 98.999%	17
O	KPI Almost Met	99.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	12
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		31

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Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23								Overall Performance for July 2022 to June 2023			
																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D105	CS001	Community Services Public Participation	Manager: Public Participation	Number of Mayoral radio slots conducted by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business		Mayoral radio slots	Effective public awareness on municipal business	GP01	R1,044,098 (Budget is allocated for CS001 to CS008)					Mayoral radio slots conducted by end June 2023	Reason for adjustment: Baseline updated	Monthly	32	Number	Last Value	25	32	25	25	25	25	0	25		25	G			25	25	25	G
D106	CS002	Community Services Public Participation	Manager: Public Participation	Number of external electronic newsletters prepared by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	Good Governance and Public Participation	External newsletters	Effective public awareness on municipal business	GP01	Refer to CS001 for allocation					External newsletters prepared by end June 2023	Reason for adjustment: Baseline updated	Bi Annually	2	Number	Last Value	2	2	2	2	2	2	0	2		2	G			2	2	2	G
D107	CS003	Community Services Public Participation	Manager: Public Participation	Number of internal electronic newsletters prepared by deadline	Number	T g sh wn h var k th g m g	Good Governance and Public Participation	Internal newsletters	Effective public awareness on municipal business	GP01	Refer to CS001 for allocation					Internal newsletters prepared by end June 2023	Reason for adjustment Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D108	CS004	Community Services Public Participation	Manager: Public Participation	Number of communication strategy reviewed and adopted by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	Good Governance and Public Participation	Communication Strategy	Effective public awareness on municipal business	GP01	Refer to CS001 for allocation					Communication Strategy reviewed and adopted by end June 2023	Reason for adjustment: Baseline updated	Annually	1	Number	Stand Alone	1	1	1	1	0	1	0	1		0	R	The communication strategy review process took longer than expected due to challenges and delays in engaging the local municipalities for their input on the strategy	The communication strategy review process will be finalized in the financial year , which will then allow for its adoption.	1	1	0	R
D109	CS005	Community Services Public Participation	Manager: Public Participation	Number of media tours by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	Good Governance and Public Participation	Media tours	Effective public awareness on municipal business	GP01	Refer to CS001 for allocation					Media Tours held by end June 2023	Reason for adjustment: Baseline updated	Bi Annually	0	Number	Last Value	New indicator	New indicator	2	2	0	2	0	2		0	R	The media tours did not take place in this financial year to the busy schedule and clashing municipal activities that were led by the principals.	The media tours will be done in the next financial year	2	2	0	R
D110	CS006	Community Services Public Participation	Manager: Public Participation	Number of press conference held by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	Good Governance and Public Participation	Press conference	Effective public awareness on municipal business	GP01	Refer to CS001 for allocation					Press Conference held by end June 2023	Reason for adjustment: Baseline updated	Quarterly	0	Number	Last Value	New indicator	New indicator	4	4	2	4	0	4		2	R	A total of 2 press conferences took place this financial year due to clashing municipal activities that were led by the principals.	Press conferences will happen in the next financial year.	4	4	2	R
D111	CS007	Community Services Public Participation	Manager: Public Participation	Number of quarterly meetings held by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	Good Governance and Public Participation	Publ P rti pati n trategy mpleme ta ti Engagem t betw leade s	Effective public awareness on municipal business	GP01	Refer to CS001 for allocation					Quarterly meetings held by end June 2023	Reason for adjustment: Baseline updated	Quarterly	0	Number	Last Value	New indicator	New indicator	4	4	4	4	0	4		4	G			4	4	4	G
D112	CS008	Community Services Public Participation	Manager: Public Participation	Number of quarterly meetings held by full council in each LM by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	Good Governance and Public Participation		Effective public awareness on municipal business	GP01	Refer to CS001 for allocation					Quarterly meetings held by end June 2023	Reason for adjustment: Baseline updated	Quarterly	0	Number	Last Value	New indicator	New indicator	4	4	4	4	0	4		4	G			4	4	4	G
D113	CS009	Community Services Public Participation	Manager: Public Participation	Number of IDP/Budget meetings held by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	Good Governance and Public Participation		Effective public awareness on municipal business	GP01	R149,300					IDP/Budget meetings held by end June 2023	Reason for adjustment: Baseline updated. Budget adjusted. Original budget has changed to R 324 300 due to virements Targets not reveiwed as additional costs are are being incurred by the District and LMS.	Bi-Annually	7	Number	Last Value	7	7	10	10	10	10	0	10		10	G			10	10	10	G
D114	CS010	Community Services Public Participation	Manager: Public Participation	Number of Public Participation strategy developed and adopted by deadline	Number	f r gh ar h w var tak h thr ugh omm m n pal	Good Governance and Public Participation		Effective public awareness on municipal business	GP01	0					Public Participation strategy developed and adopted by 30 June 2023	Reason for adjustment: Baseline updated. Q1 target date corrected. Target reviewed as the strategy has been developed but was not adopted due to council activities that were time consuming	Annually	0	Number	Stand-Alone	New indicator	New indicator	1	1	0	0	1	1	t Public Participatio n strategy developed, adopted	0	R	The Public Participation strategy review process took longer than expected due to challenges and delays in engaging the local municipalities for their input on the strategy	The Public Participation strategy review process will be finalized in the financial year , which will then allow for its adoption.	1	1	0	R
D115	CS011	Community Services Corporate Governance	Co-ordinator: Corporate Governance	Number World Aids Day event held by deadline	Number	mp h ty f ew he r	Good Governance and Public Participat	W d Aids ay	To mobilise communities against social impacts of HIV/Aids	GP02	R45,000 (Budget is allocated for CS011 & CS012)					World Aids Day event held by 1st December 2022	Reason for adjustment: Baseline updated Budget adjusted	Annually	1	Number	Stand Alone	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G
D116	CS012	Community Services Corporate Governance	Co-ordinator: Corporate Governance	Numbe f DA m t g he d by deadl e	Nu b	m ve e al y w h h d	Good Governance and Public	istri t A ds c	To determine prevalence rates & stats	GP02	Refer to CS011 for allocation					DAC meetings held by end June 2023	Reason for adjustment Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D117	CS013	Community Services Corporate Governance	Co-ordinator Corporate Governance	Number of Annual review & adoption of gender plan by deadline (gender ...	Number	To improve the quality of life within the district	Good Governance and Public Participation	Gender plan	To conscientise society about the impact of patrirchial policies	GP02	0					Annual review and adoption of gender plan by end March 2023	Reason for adjustment Baseline updated	Annually	2	Number	Carry Over	1	2	2	2	2	0	0	0		0	N/A			2	2	2	G
D118	CS014	Community Services Corporate Governance	Co-ordinator Corporate Governance	Number of programmes implemented as per the approved gender plan by deadline	Number	To improve the quality of life within the district	Good Governance and Public Participation	Gender plan	To conscientise society about the impact of patrirchial policies	GP02	R443,000	R610,610				Programmes implemented as per the approved gender plan by end June 2022	Reason for adjustment: Baseline updated Budget adjusted Original budget has changed to R 762 000 due to virements	Monthly	20	Number	Last Value	0	0	16	16	19	16	0	16		19	G2	Target exceeded because due to high number of Social Ills reported from Schools there were additional Awarenesses in schools		16	16	19	G2
D119	CS015	Community Services Corporate Governance	Co-ordinator Corporate Governance	Number of interventions hosted in all LMs by ...	Number	To improve the quality of life within the district	Good Governance and Public ...	Operation Sukuma Sakhe	Implementation of Operation ...	GP02	R30,000					Interventions hosted by end June 2023	Reason for adjustment: Baseline updated	Monthly	18	Number	Last Value	16	18	16	16	16	16	0	16		16	G	3 Interventions conducted in June 2023	None	16	16	16	G
D120	CS016	Community Services Corporate Governance	Co-ordinator Corporate Governance	Number of District Task Teams meetings held by	Number	To improve the quality of life within the district	Good Governance and Public Participat	Operation Sukuma Sakhe	Implementation of Operation Sukuma Sakhe	GP02	0					District Task Teams meetings held by end June 2023	Reason for adjustment: Baseline updated	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
D121	CS017	Community Services Community Services	Senior Manager: Community Services	Number of Technical District Command Council meetings by deadline	Number	To improve the quality of life within the district	Good Governance and Public Participation	Promote Intergovernmental Relations	To facilitate coordination of within the District	GP02	0					Technical District Command Council meetings by end June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	The Technical Hub meeting was held on the 05 May 2023.		4	4	4	G
D122	CS018	Community Services - Community Services	Senior Manager: Community Services	Number of District Command Council meetings by deadline	Number	To improve the quality of life within the district	Good Governance and Public Participation	Promote Intergovernmental Relations	To facilitate coordination of within the District	GP02	0					District Command Council meetings by end June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D123	CS019	Community Services - Sports, Art, Culture and Youth Development	Manager: Sports, Art and Culture	Number of youth programmes implemented by deadline	Number	To improve the quality of life within the district	Good Governance and Public Participation	Implementation of youth programmes	To harness the potential of young people to enable them to play a meaningful role in society	GP02	R1,000,000	R 830,000				Youth programmes implemented by end June 2023	Reason for adjustment: Baseline updated Budget adjusted Original budget has changed to R 930 000 due to virements Targets adjusted to be in line with progress to date	Monthly	13	Number	Last Value	12	13	12	18	22	12	6	18		22	G2	Target exceeded because of the Youth Mobile Bus Facility which was provided by the Office of the Premier. This has resulted to additional programmes being implemented and reaching more young people in rural areas. June 16 Youth Day Celebration was a joint programme between Office of the Premier, All Provincial Departments, Ilembe and four Local Municipalities.		12	18	22	G2
D124	CS020	Community Services - Sports, Art, Culture and Youth Development	Manager: Sports, Art and Culture	Number of draft District Youth strategy developed by deadline	Number	To improve the quality of life within the district	Good Governance and Public Participation	Development of Youth strategy	To harness the potential of young people to enable them to play a meaningful role in society	GP02	0					Develop draft District Youth strategy by end June 2023	Reason for adjustment: Baseline updated. Target reviewed as input from local municipalities and other stakeholders ...	Annually	0	Number	Stand-Alone	1	0	0	1	1	0	1	1	Develop draft District Youth strategy	1	G			0	1	1	G
D126	CS022	Community Services - Sports, Art, Culture and Youth Development	Manager: Sports, Art and Culture	Number of sporting events participated/ hosted by deadline	Number	To improve the quality of life within the district	Good Governance and Public Participation	Sports event	To harness the potential of young people to enable them to play a meaningful role in society	GP02	R3,306,000	R3,200,260				Sporting events participated/hosted by end June 2023	Reason for adjustment: Baseline updated. Budget adjusted. Original budget has changed to R 3 396 due to virements Targets adjusted to be in line with ...	Monthly	12	Number	Last Value	12	12	8	19	19	8	11	19		19	G			8	19	19	G
D127	CS023	Community Services - Sports, Art, Culture and Youth Development	Manager: Sports, Art and Culture	Number of heritage events held by deadline	Number	To preserve our History and heritage	Good Governance and Public Partrcipation	Heritage events	To promote Arts & Culture, Tourism and social cohesion nation building	GP03	R1,920,000	R1,184,515				Heritage events held by end June 2023	Reason for adjustment: Baseline updated Budget adjusted. Original budget has changed to R 1 505 000 due to virements. One Heritage event was held in January 2023 by Depart of Arts & Culture and the district was not part of it. Therefore ...	Quarterly	3	Number	Last Value	3	3	9	8	9	9	-1	8		9	G2	Target exceed due to partnership we have had with Department of Social Development to conduct Boys Camp that intend discussing Circumcision and Other Cultural Matters.		9	8	9	G2
D128	CS024	Community Services - Community Services	Senior Manager: Community Services	Number of submission on Annual report to AG & Council by	Number	Compliance and good Governance	Good Governance and Public Participat	Submission of an Annual Report	To ensure quality, reliable financial statements	GP04	R30,000					Submission of Annual report to AG & Council by 31 March 2023	Reason for adjustment: Baseline updated	Quarterly	3	Number	Last Value	3	3	3	3	3	0	0	0		0	N/A			3	3	3	G
D129	CS025	Community Services - Community Services	Senior Manager: Community Services	Number of updated risk monitoring tool submitted by	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	Good Governance and Public Participat	Risk management	To ensure effective Risk management	GP06	0					Updated risk monitoring tool submitted by end June 2023	Reason for adjustment: Baseline updated	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
D130	CS026	Community Services - Community Services	Senior Manager: Community Services	Number of performance reviews conducted quarterly between Senior Manager and	Number	To ensure effective Performance Management	Good Governance and Public Participation	Performance Reviews	People management	GP07	0					Performance reviews conducted between Senior Manager and Managers by end June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23								Overall Performance for July 2022 to June 2023			
																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D131	CS027	Community Services Environmental Health	Manager: Environmental Health	Number of sites serviced within budget by deadline	Number	To ensure a sustainable and healthy environment	Cross Cutting	Vector Control	To provide and effective vector control service to the community	CC04	R112.994					Sites serviced by end June 2023	Reason for adjustment: Baseline updated. Targets adjusted to be in line with progress to date.	Monthly	361	Number	Last Value	350	361	350	350	384	350	0	350		384	G2	target was exceeded due to request from the communities. for our team to exterminate breeding sites and mosquito complaints as a result of extra rains during the quarter		350	350	384	G2
D132	CS028	Community Services Environmental Health	Manager: Environmental Health	Number of samples taken and analysed by deadline	Number	To ensure a sustainable and healthy environment	Cross Cutting	Water Quality Monitoring and Analysis	To monitor quality of potable water in the District (domestic	CC04	R120,000 (Budget is allocated for CS028 to CS031)					Samples taken and analysed by end June 2023	Reason for adjustment: Baseline updated	Monthly	247	Number	Last Value	240	247	240	240	256	240	0	240		256	G2	re sampling was conducted due to failures of initial water samples that were tested this is conducted to verify and ensure that corrective measures were undertaken by water service Authority.		240	240	256	G2
D133	CS029	Community Services Environmental Health	Manager: Environmental Health	Percentage of all food handling license applications received and processed within 14 working days by deadline	Percent	To ensure a sustainable and healthy environment	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational health & environmental health services are enforced	CC04	Refer to CS028 for allocation					All food handling license applications received and processed within 14 working days by end June 2023	Reason for adjustment Baseline updated	Monthly	100.00%	Percent	Stand-Alone	100%	100%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%		100%	G			100%	100%	100%	G
D134	CS030	Community Services - Environmental Health	Manager: Environmental Health	Number of premises inspected to reduce food borne illness by deadline	Number	To ensure a sustainable and healthy environment	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational health &	CC04	Refer to CS028 for allocation					Premises inspected to reduce food borne illness by end June 2023	Reason for adjustment: Baseline updated	Monthly	1 015	Number	Last Value	890	1015	900	900	961	900	0	900		961	G2	follow up inspections were conducted during enforcement Blitz on non-complying food premises.		900	900	961	G2
D135	CS031	Community Services - Environmental Health	Manager: Environmental Health	Percentage of reported notifiable diseases investigated by deadline	Percent	To ensure a sustainable and healthy environment	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational health &	CC04	Refer to CS028 for allocation					Reported notifiable diseases investigated by end June 2023	Reason for adjustment: Baseline updated	Monthly	100%	Percent	Stand-Alone	100%	100%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%		100%	G			100%	100%	100%	G
D136	CS032	Community Services Environmental Health	Manager: Environmental Health	Number of health education awareness campaigns held by deadline	Number	To ensure a sustainable and healthy environment	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational health & environmental	CC04	R120,000	R107,250				Health education awareness campaigns held by end June 2023	Reason for adjustment: Baseline updated Budget adjusted. Targets adjusted to be in line with progress to date	Monthly	120	Number	Last Value	120	120	50	50	59	50	0	50		59	G2	diseases outbreaks lead to extra awareness being conducted.		50	50	59	G2
D137	CS033	Community Services - Disaster Management	Manager: Disaster Management	Number of monthly consolidated incidents/disasters reports submitted to the Provincial disaster management centre by	Number	To ensure prevention and mitigation against disasters	Cross Cutting	Emergency Relief Aid	To ensure rapid and effective response in assisting vulnerable communities during incidents and disasters	CC05	R800,000	R650,000				Monthly reports submitted to the Provincial disaster management centre by the 8th of each month	Reason for adjustment: Baseline updated Budget adjusted. Original budget has changed to R 600 000 due to virements.	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G	Target achieved	N/A	12	12	12	G
D138	CS034	Community Services - Disaster Management	Manager: Disaster Management	Number of Community Awareness campaigns held by deadline	Number	To ensure prevention and mitigation against disasters	Cross Cutting	Awareness Campaigns	To ensure that disaster stricken communities exercise risk avoidance behaviour during all incidents & disasters.	CC05	R49 913	R149,913				Community Awareness campaigns held by end June 2023	Reason for adjustment Baseline updated. Budget adjusted. Additional budget is allocated to procure awareness brochures which is aligned to new council	Monthly	24	Number	Last Value	24	24	24	24	24	24	0	24		24	G	Annual targets achieved.	N/A	24	24	24	G
D139	CS035	Community Services - Disaster Management	Manager Disaster Management	Number of capacity building programmes conducted by deadline	Number	To ensure prevention and mitigation against disasters	Cross Cutting	Capacity Building programmes	To create resilient and pro-active communities by rolling out the district disaster risk management capacity	CC05	R9,974					Capacity building programmes conducted by end June 2023	Reason for adjustment: Baseline updated	Monthly	15	Number	Last Value	12	15	15	15	17	15	0	15		17	G2	Annual targets were over achieved The reason for over achieving the target was that based on the increase in the number of weather related incidents in Local Municipalities, there were additional planned training programmes to ensure that Disaster Management Capacity is enhanced within the District and it's family of municipalities	N/A	15	15	17	G2
D140	CS036	Community Services - Disaster Management	Manager Disaster Management	Number of Disaster Management Advisory Forum Meetings held by	Number	To ensure prevention and mitigation against disasters	Cross Cutting	District Disaster Management Advisory Forums	To ensure that there is effective implementation of disaster risk reduction programmes	CC05	0					Disaster Management Advisory Forum Meetings held by end June 2023	Reason for adjustment. Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	On Track	N/A	4	4	4	G
D141	CS037	Community Services - Disaster Management	Manager Disaster Management	Number of reviewed District Disaster Management Plan by	Number	To ensure prevention and mitigation against disasters	Cross Cutting	Disaster Risk Reduction	To ensure that there is effective implementation of disaster risk reduction	CC05	R65,000 (Budget is allocated for CS037 & CS038)					Reviewed District Disaster Management Plan by end June 2023	Reason for adjustment: Baseline updated. Budget removed	Annually	1	Number	Stand-Alone	1	1	1	1	1	1	0	1		1	G	Target achieved in the form of reviewed Disaster Management Plan	N/A	1	1	1	G

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																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D142	CS038	Community Services - Disaster Management	Manager: Disaster Management	Number of activities conducted to ensure that reviewed District Disaster Management Plan is in place by deadline	Number	To ensure prevention and mitigation against disasters	Cross Cutting	Disaster Risk Reduction	To ensure that there is effective implementation of disaster risk reduction programmes aimed at prevention and mitigation against identified risks	CC05	Refer to CS037 for allocation					Activities - Engagement and consultation with stakeholders to update Terms of Reference to annually review the Plan, Solicit Inputs from disaster management stakeholders and incorporate them in the Disaster Management Plan and Consolidation of inputs as received from different disaster management stakeholders	Reason for adjustment: Baseline updated	Quarterly	3	Number	Last Value	3	3	3	3	3	0	0	0		0	N/A			3	3	3	G
D143	CS039	Community Services - Disaster Management	Manager: Disaster Management	Number of workshops conducted to rollout the Disaster Management Volunteer Strategy/framework by	Number	To ensure prevention and mitigation against disasters	Cross Cutting	Disaster Management Volunteer Strategy	To ensure that there is effective implementation of disaster risk reduction programmes aimed at prevention	CC05	0					Workshops conducted to rollout the Disaster Management Volunteer Strategy/framework by end June 2023	Reason for adjustment: Baseline updated	Quarterly	5	Number	Last Value	4	5	4	4	4	4	0	4		4	G	Annual target achieved	N/A	4	4	4	G
D144	CS040	Community Services - Community Services	Senior Manager: Community Services	Number of repeat findings in the auditor general's management report for the	Number	To maintain a clean audit opinion	Municipal Financial Viability and Management	Compliance with MFMA and clean administration	Ensure adequate financial and administration management.	FV03	0					Repeat findings for the comminty services department by 31 December 2022	Reason for adjustment: Baseline updated	Annually	0	Number	Zero	0	0	0	0	0	0	0	0		0	G	There were no repeat fundings		0	0	0	G
D145	CS041	Community Services - Community Services	Senior Manager: Community Services	Percentage progress on audit queries resolving plan for the community services department	Percent	To achieve a clean audit opinion	Municipal Financial Viability and Management	Compliance with MFMA and clean administration	Ensure adequate financial and administration management.	FV03	0					Progress on audit queries resolving plan for the community services department by end June 2023	Reason for adjustment: Baseline updated	Quarterly	0.00%	Percent	Not Applicable	80%	0%	%	%	%	80.00%	0.00%	80.00%		0.00%	N/A	There were no audit queries for Department of Community Services		%	%	%	N/A

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period	1
R	KPI Not Met	0% <= Actual/Target <= 99.999%	4
O	KPI Almost Met	99.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	27
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	8
P	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		40

Report generated on 31 August 2023 at 10:24

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target adjustment	Actual	R
D1	EI01	Enterprise iLembe Enterprise Development	Executive Manager Projects	Number of quarterly meetings held by deadline	Number	To improve co ordination of LED in the District	Number of quarterly meetings held by deadline (EI01-TL109)	Local Economic Development	LED Forum	Co-ordination of LED in the District	Enterprise iLembe Enterprise Development	LED01	0					meetings held by end June 2023	Reason for adjustment Baseline updated as per 2020/2021 Annual actual as it was not measured in 2021/2022. Responsible owner changed	Quarterly	4	Number	Last Value	New Indicator	New Indicator	4	4	3	4	0	4		3	R	The 4th quarter meeting will be rescheduled in July 2023	The meeting will be rescheduled in July 2023	4	4	3	R
D2	EI02	Enterprise iLembe - Enterprise Development	Executive Manager Projects	Number of quarterly meetings held by deadline	Number	To improve co-ordination of LED in the District	Number of quarterly meetings held by deadline (EI02-TL110)	Local Economic Development	Economic Cluster	Co-ordination of LED in the District	Enterprise iLembe Enterprise Development	LED01	0					meetings held by end June 2023	Reason for adjustments: Responsible owner changed	Quarterly	0	Number	Last Value	New Indicator	New Indicator	4	4	4	4	0	4		4	G			4	4	4	G
D3	EI03	Enterprise iLembe - Agriculture	Project Manager (Agriculture)	Number of new and existing small scale farmers identified and supported by the Entity by deadline	Number	To upscale Agriculture development in the district	Number of new and existing small scale farmers identified and supported by the Entity by deadline (EI03-TL039)	Local Economic Development	Open Fields	Co-ordination of LED in the District	Enterprise iLembe Agriculture	LED02	600000					new and existing small scale farmers identified and supported by the Entity by end June 2023	Reason for adjustment: Job title changed.	Quarterly	20	Number	Stand-Alone	20	20	20	20	20	20	0	20		20	G	20 Farmers supported for the quarter		20	20	20	G
D4	EI04	Enterprise iLembe Agriculture	Project Manager (Agriculture)	Number of new markets secured for capacitated farmers by deadline	Number	To upscale Agriculture development in the district	Number of new markets secured for capacitated farmers by deadline (EI04-TL040)	Local Economic Development	New markets for farmers	Co-ordination of LED in the District	Enterprise iLembe: Agriculture	LED02	0					new markets secured for capacitated farmers by end June 2023	Reason for adjustment: Baseline updated Job title changed	Quarterly	2	Number	Last Value	2	2	4	4	4	4	0	4		4	G	Two more markets identified and secured		4	4	4	G
D5	EI05	Enterprise iLembe Agriculture	Project Manager (Agriculture)	Number of hydroponic tunnels handed over to co-operatives by deadline	Number	To upscale Agriculture development in the district		Local Economic Development	Ownership model for existing projects (winery, tunnels, etc)	Co-ordination of LED in the District	Enterprise iLembe Agriculture	LED02	0					hydroponic tunnels Projects handed over to co-operatives by 30 June 2023	Reason for adjustment Baseline updated Target reviewed as Maphumulo tunnel is relocating to a new site as the existing site will be developed. Bulwer Agri- business Development Agency is in process of cancelling contract. Job title changed	Quarterly	0	Number	Last Value	4	0	4	2	2	4	-2	2		2	G	Two hydroponic tunnels transferred to beneficiaries		4	2	2	G
D6	EI06	Enterprise iLembe - Enterprise Development	Project Manager (Enterprise Development)	Percentage increase in wine sales by deadline	Percentage	To capitalise on tourism potential of the district		Local Economic Development	1787 Wine cellar and tasting room - (under tourism)	To increase wine sales	Enterprise iLembe Tourism	LED03	140000	130000				increase in wine sales by end June 2023	Reason for adjustment Baseline updated Budget adjusted Winery is temporarily closed as we are in process of getting trading license "	Annually	71.00%	Percent	Last Value	68.70%	71.00%	70.00%	25.00%	23.60%	70.00%	-45.00%	25.00%		23.60%	R	Winery has been temporarily closed since February 2023	A request for proposals will be issued for an operator to take over the operations of the winery.	70.00%	25.00%	23.60%	R
D7	EI07	Enterprise iLembe Tourism, Marketing & Communications	Executive Manager Investment Promotion & Marketing	Number of exhibitions attended by deadline	Number	To capitalise on tourism potential of the district	Number of exhibitions attended by deadline (EI07-TL042)	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	Enterprise iLembe Tourism	LED03	284040					exhibitions attended by end June 2023	Reason for adjustment: Baseline updated , Job title changed.	Quarterly	5	Number	Last Value	3	5	3	3	4	3	0	3		4	G2	TKZN provided space for exhibiting at Meetings Africa at no cost, the opportunity was taken up in an effort to promote business tourism		3	3	4	G2
D8	EI08	Enterprise iLembe - Tourism, Marketing & Communications	Executive Manager: Investment Promotion & Marketing	Number of tourism adverts/advertorials (print and electronic) in relevant platforms by deadline	Number	To capitalise on tourism potential of the district	Number of tourism adverts/advertorials by deadline (print and electronic) in relevant platforms (EI08-TL043)	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	Enterprise iLembe Tourism	LED03	129917	135000				tourism adverts/advertorials (print and electronic) in relevant platforms by end June 2023	Reason for adjustment Baseline updated Budget adjusted Job title changed Targets adjusted to be in line with progress to date	Quarterly	8	Number	Last Value	8	8	4	12	17	8	4	12		17	G2	Exceeding the target was achieved through leveraging of earned and free media exposure		8	12	17	G2
D9	EI09	Enterprise iLembe - Tourism, Marketing & Communication	Executive Manager Investment Promotion & Marketing	Number of Official Tourism Travel Guide for 2023/2024 developed by deadline	Number	To capitalise on tourism potential of the district	Number of Official Tourism Travel Guide for 2023/2024 developed by deadline (EI09-TL044)	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	Enterprise iLembe: Tourism	LED03	212197	212000	212000			Official Tourism Travel Guide for 2023/2024 developed by end May 2023	Reason for adjustment: Budget adjusted. Job title changed	Annually	1	Number	Last Value	1	1	1	1	1	1	0	1		1	G			1	1	1	G
D10	EI10	Enterprise iLembe Tourism, Marketing & Communication	Executive Manager Investment Promotion & Marketing	Percentage of annual increase of tourists (as per calendar year comparison - Dec 2021 to Dec 2022) to iLembe by deadline	Percentage	To capitalise on tourism potential of the district	Percentage of annual increase of tourists (As per calendar year comparison - Dec 2021 to Dec 2022) to iLembe by deadline (EI10-TL041)	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	Enterprise iLembe: Tourism	LED03	709600	204000				annual increase of tourists to iLembe by end March 2023	Reason for adjustment Baseline updated as per calendar year as previous baseline was calculated based on financial year's information Therefore corrected, to be in line with current year's target, which is calendar year as per Tourism industry. Job title changed. Budget adjusted	Quarterly	27.00%	Percent	Carry Over	2.00%	27.00%	5.00%	5.00%	5.00%	0.00%	0.00%	0.00%		0.00%	N/A			5.00%	5.00%	5.00%	G

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																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target adjustment	Actual	R
D11	EI11	Enterprise iLembe Enterprise Development	Executive Manager Projects	Percentage implementation of the KwaShuShu Hotspring Project by deadline	Percentage	To capitalise on tourism potential of the district		Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	Enterprise iLembe Tourism	LED03	2500000					implementation by 30 June 2023	Reason for adjustment: Responsible owner changed. Q3 Target reviewed as there were delays in appointment of Service Provider and social facilitation of the project.	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	100.00%	100.00%	70.00%	100.00%	0.00%	100.00%		70.00%	R	Project has been extended to August 2023 and is current at construction phase. Delays currently due to Ezemvelo KZN Wildlife requesting that the site for ablutions requires an EIA	Engagements are taking place to with iLembe District Environmental and EDTEA to intervene.	100.00%	100.00%	70.00%	R
D12	EI12	Enterprise iLembe - Tourism, Marketing & Communication	Executive Manager: Investment Promotion & Marketing	Number of District Tourism Forum meetings held by deadline	Number	To capitalise on tourism potential of the district	Number of District Tourism Forum meetings held by deadline (EI12-TL111)	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	Enterprise iLembe: Tourism	LED03	20000					District Tourism Forum meetings held by end June 2023	Reason for adjustment: Baseline updated. Job title changed	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D13	EI13	Enterprise iLembe Tourism, Marketing & Communication	Executive Manager: Investment Promotion & Marketing	Number of Business Confidence Index developed by deadline	Number	To increase investment within the District	Number of Business Confidence Index developed by deadline (EI13-TL047)	Local Economic Development	Provide Market Intelligence (International, national, provincial and local)	To attract interest in investment in the iLembe District	Enterprise iLembe: Tourism	LED04	65000					Business Confidence Index developed by end March 2023	Reason for adjustment: Job title changed	Quarterly	2	Number	Last Value	2	2	2	2	2	0	0	0		0	N/A			2	2	2	G
D14	EI14	Enterprise iLembe - Enterprise	Chief Executive Officer	Rand value of investment by deadline	Rand value	To increase investment within the District	Rand value of investment by deadline (EI14-TL048)	Local Economic Development	Investment attraction & facilitation	To attract interest in investment in the iLembe District	Enterprise iLembe Enterprise	LED04	0					investment by end June 2023	Reason for variance: Baseline updated .	Annually	########	South African Rands	Last Value	R100 000 000.00	R1 800 000 000.00	R100 000 000	R100 000 000	R262 000 000	R100 000 000	R0.00	R100 000 000	R100 million	R262 000 000	B	Higher than anticipated value of investment attracted. The District remains an attractive investment destination		R100 000 000	R100 000 000	R262 000 000	B
D15	EI15	Enterprise iLembe Tourism, Marketing & Communication	Executive Manager Investment Promotion & Marketing	Number of marketing platforms for investment promotion deadline	Number	To increase investment within the District	Number of marketing platforms for investment promotion deadline (EI15-TL045)	Local Economic Development	Investment attraction & facilitation	To profile the iLembe District for trade and investment	Enterprise iLembe: Marketing	LED04	60000					marketing platforms for investment promotion by end June 2023	Reason for adjustment: Baseline updated. Job title changed. Target adjusted to be in line with progress to date	Quarterly	5	Number	Last Value	4	5	4	6	8	4	2	6		8	B	G2	The entity was able to leverage additional space for marketing and promotions.	None	4	6	8	G2
D16	EI16	Enterprise iLembe Enterprise	Executive Manager: Investment Promotion & Marketing	Number of Draft District Wide Incentive Scheme developed by deadline	Number	To increase investment within the District	Number of District Wide Incentive Scheme developed and adopted by deadline (EI16-TL046)	Local Economic Development	District Wide Incentive Scheme	To attract interest in investment in the iLembe District	Enterprise iLembe: Enterprise	LED04	500000	404225				Draft District Wide Incentive Scheme developed by 30 June 2023	Reason for adjustment: Budget adjusted. Responsible owner changed.	Annually	0	Number	Last Value	1	0	1	1	1	1	0	1		1	G			1	1	1	G
D17	EI17	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of one stop shop established by deadline	Number	To increase investment within the District	Number of one stop shop established by deadline (EI17-TL112)	Local Economic Development	One stop Shop	To attract interest in investment in the iLembe District	Enterprise iLembe Enterprise Development	LED04	0					by end June 2023	Reason for adjustment: Job title changed	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	1	1	0	1		1	G			1	1	1	G
D18	EI18	Enterprise iLembe Enterprise Development	Executive Manager Projects	Number of stakeholder Engagements Hosted/Attended by deadline	Number	To ensure job creation		Local Economic Development	To build partnerships with external stakeholders	To support SMMEs in the iLembe District for job creation and business retension and expansion	Enterprise iLembe Communications	LED05	20000					Stakeholder Engagements Hosted/ Attended by end June 2023	Reason for adjustment: Baseline updated. Annual target achieved at bi-annual. Target reviewed to be in line with progress to date. Responsible owner changed	Quarterly	8	Number	Last Value	3	8	3	5	5	3	2	5		5	G			5	5	5	G
D19	EI19	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of impact assessment reports on iLembe incubator by deadline	Number	To ensure job creation		Local Economic Development	SMME development	To support SMMEs in the iLembe District for job creation and business retension and expansion	Enterprise iLembe Enterprise Development	LED05	0					Impact assessment reports on iLembe incubator by end June 2023	Reason for adjustment: Baseline updated. Job title changed	Quarterly	2	Number	Last Value	2	2	2	2	2	2	0	2		2	G			2	2	2	G
D20	EI20	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of progress reports prepared on the Enterprise iLembe incubator SMME's participating in iLembe Entrepreneur Competition by deadline	Number	To ensure job creation		Local Economic Development	To promote Entrepreneurship	To support SMMEs in the iLembe District for job creation and business retension and expansion	Enterprise iLembe Enterprise Development	LED05	0					progress reports prepared on the Enterprise iLembe incubator SMME's participating in iLembe Entrepreneur Competition by end June 2023	Reason for adjustment: Baseline updated. Job title changed. iLembe Entrepreneur Competition is taking place annually therefore target reviewed to 2	Quarterly	6	Number	Last Value	6	6	4	2	2	4	2	2	2 Progress report prepared on impact of competition on finalist winners and winners	2	G	Target achieved. Programme report completed for the new entries entries.		4	2	2	G
D21	EI21	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of SMMEs assisted to participate in the iLembe Entrepreneur competion (2022/2023) by deadline	Number	To ensure job creation		Local Economic Development	To promote Entrepreneurship	To support SMMEs in the iLembe District for job creation and business retension and expansion	Enterprise iLembe Enterprise Development	LED05	150000					SMMEs assisted to participate in the iLembe Entrepreneur competion (2022/2023) by end June 2023	Reason for adjustment: Baseline updated. Job title changed	Annually	10	Number	Last Value	10	10	10	10	21	10	0	10		21	B		Target achieved. This target has been achieved though the high number of SMMEs responded to the programme		10	10	21	B

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target adjustment	Actual	R
D22	EI22	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of SMME and skills development programmes initiated (FoodBev Project) by deadline	Number	To ensure job creation		Local Economic Development	SMME and skills development programmes	To improve the capacity of new skills for youth	Enterprise iLembe Enterprise Development	LED05	R 6235000 allocated for EI22 to EI23	R2494000 allocated for EI22 to EI23				by end March 2023	Reason for adjustment: Job title changed Budget adjusted Target reviewed as there were delays in appointing Service Provider and recruiting learners.	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	1	0	1	1		1	G	Target achieved		1	1	1	G
D23	EI23	Enterprise iLembe - Enterprise Development	Project Manager (Enterprise Development)	Number of youth trained by deadline	Number	To ensure job creation		Local Economic Development	New skills development project	To improve the capacity of new skills for youth	Enterprise iLembe Enterprise Development	LED05	R 6235000 allocated for EI22 to EI23	R2494000 allocated for EI22 to EI23				youth trained by 30 June 2023	Reason for adjustment: Baseline updated Budget adjusted Job title changed Q3 target exceeded at bi-annual. Target reviewed to be in line with progress to date	Quarterly	0	Number	Last Value	0	0	100	100	216	100	0	100		216	B	Target achieved Actual as at 31 March 2023 was 184 and Added 32 youth trained though the Digital Skills Centre Programme We managed to over achieve this KPI through the implementation of the Youth digital centre project		100	100	216	B
D24	EI24	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of SMME and skills development programmes initiated (MICT Project) by deadline	Number	To ensure job creation		Local Economic Development	SMME and skills development programmes	To improve the capacity of new skills for youth	Enterprise iLembe Enterprise Development	LED05	1689413					by end September 2022	Reason for adjustment: Job title changed	Annually	0	Number	Last Value	0	0	1	1	1	0	0	0		0	N/A			1	1	1	G
D25	EI25	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of LED projects implemented (Business incubator) by deadline	Number	To ensure job creation	Number of LED projects implemented (Business incubator) by deadline (EI25-TL113)	Local Economic Development	LED projects implemented	To support SMMEs in the iLembe District for job creation and business retension and expansion	Enterprise iLembe Enterprise Development	LED05	1339673					project implemented by end December 2022	Reason for adjustment: Baseline updated Budget adjusted Job title changed	Annually	2	Number	Last Value	0	0	1	1	1	0	0	0		0	N/A			1	1	1	G
D26	EI26	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of co-operatives/SMMEs trained on basic business management skills by deadline	Number	To ensure job creation	Number of co-operatives/SMMEs trained on basic business management skills by deadline (EI26-TL049)	Local Economic Development	Co-operative Development	To identify and package new projects in existing sectors	Enterprise iLembe Enterprise Development	LED05	R 732210 allocated for EI26 to EI28					co-operatives/ SMMEs trained on basic business management skillsby end June 2023	Reason for adjustment: Job title changed. Annual target exceeded at bi-annual. Target reviewed to be in line with progress to date.	Quarterly	117	Number	Last Value	100	117	20	110	159	20	90	110		159	G2	Target achieved - Actual as at 31 March 2023 was 101 and added 36 SMMEs trained in April and May 2023 and 22 SMMEs trained for Operation Vula Fund - total is 159 SMMEs trained This target has been achieved though the implementation of the Operation Vula Funding and Business Management Workshops		20	110	159	G2
D27	EI27	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of programmes implemented by deadline	Number	To ensure job creation	Number of programmes implemented by deadline (EI27-TL050)	Local Economic Development	Capacity Building and Mentorship support for small enterprises	To identify and package new projects in existing sectors	Enterprise iLembe: Enterprise Development	LED05	R 732210 allocated for EI26 to EI28					programmes implemented by end June 2023	Reason for adjustment Baseline updated Job title changed	Quarterly	6	Number	Last Value	6	6	4	4	4	4	0	4		4	G	Target achieved - During the last quarter of the financial year the following programmes were implemented. SMME Summit, Digital Skills Centre, SMME financial assistance programem, Operation Vula Fund Programme		4	4	4	G
D28	EI28	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of engagement sessions with local businesses, by deadline	Number	To encourage local businesses to take advantage of government programmes (Black Industrialist, Employment Tax incentives, etc.)	Number of engagement sessions with local businesses, by deadline (EI28 TL051)	Local Economic Development	Engagement sessions	To identify and package new projects in existing sectors	Enterprise iLembe Enterprise Development	LED07	R 732210 allocated for EI26 to EI28					engagement sessions with local businesses by end June 2023	Reason for adjustment: Baseline updated Job title changed Annual target exceeded at bi-annual. Target reviewed to be in line with progress to date	Quarterly	14	Number	Last Value	11	14	4	6	8	4	2	6		8	G2	Target achieved actual as at 31 March 2023 was 5 and further 3 programmes have been implemented SMME Summit, Operation Vula Engagement session, launch of the Digital Centre		4	6	8	G2
D29	EI29	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Percentage of Industrial Development Corporation Business Relief Funding disbursed by deadline	Percentage	To ensure job creation		Local Economic Development	Business Support	Co-ordination of LED in the District	Enterprise iLembe Enterprise Development	LED05	0					of funding disbursed by June 2023	Reason for adjustment, Baseline updated Job title changed	Quarterly	41.00%	Percent	Last Value	50.00%	41.00%	100.00%	100.00%	76.00%	100.00%	0.00%	100.00%		76.00%	R	Disbursements to affected businesses finalised	Outstanding deliverables to conduct business support programme will be completed by end July 2023	100.00%	100.00%	76.00%	R

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target adjustment	Actual	R
D30	EI30	Enterprise iLembe Enterprise Development	Executive Manager Projects	Number of feasibility studies for recycling projects conducted by deadline	Number	To encourage local businesses to take advantage of government programmes (Black Industrialist, Employment Tax incentives, etc.)	Number of feasibility studies for recycling projects conducted by deadline (EI30 TL053)	Local Economic Development	Recycling projects	To carryout recycling projects	Enterprise iLembe Enterprise Development	LE007	0					feasibility study for recycling projects conducted by 30 June 2023	Reason for adjustments Responsible owner changed	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	1	1	0	1		1	G			1	1	1	G
D31	EI31	Enterprise iLembe Enterprise Development	Project Manager (Enterprise Development)	Number of impact analysis reports prepared	Number	To ensure Small, Micro, Medium Enterprises (SMME) development	Number of impact analysis reports prepared (EI31-TL052)	Local Economic Development	Measure the functionality of District Business Incubator by preparing impact analysis	To ensure sustainability for SMMEs	Enterprise iLembe Enterprise Development	LE006	0					by end June 2023	Reason for adjustment Baseline updated Job title changed	Annually	2	Number	Last Value	2	2	1	1	1	1	0	1		1	G			1	1	1	G
D32	EI32	Enterprise iLembe - Enterprise	Executive Manager Corporate & Legal	Percentage of training budget spent by deadline	Percentage	To establish an efficient and productive administration		Municipal Institutional Development and Transformation	Employee Training	To improve the capacity of staff to deliver services	Enterprise iLembe: Enterprise	MTI01	173256	473256				training budget spent by end June 2023	Reason for adjustment: Baseline updated Budget adjusted Responsible owner changed	Quarterly	67.00%	Percent	Last Value	100.00%	67.00%	100.00%	100.00%	98.00%	100.00%	0.00%	100.00%		98.00%	R	Target was not met because there was only R3k left from the budget expenditure which could not be utilised for training purpose	Budget to be fully utilised before year end	100.00%	100.00%	98.00%	R
D33	EI33	Enterprise iLembe - Finance	Chief Financial Officer	Number of Clean audit opinion report received from AG for 2021/2022 by deadline	Number	To achieve a clean audit opinion		Municipal Financial Viability and Management	Clean audit opinion	To ensure adequate financial and administration management	Enterprise iLembe Enterprise	FV03	0					Clean audit opinion report received from AG for 2021/2022 by end December 2022		Annually	0	Number	Last Value	1	0	1	1	0	0	0	0		0	N/A			1	1	0	R
D34	EI34	Enterprise iLembe - Finance	Chief Financial Officer	Number of Annual Financial Statements submitted to AG by deadline	Number	To achieve a clean audit opinion		Municipal Financial Viability and Management	Clean audit opinion	To ensure adequate financial and administration management	Enterprise iLembe Enterprise	FV03	0					2021/2022 AFS submitted to AG by 31 August 2022	Reason for adjustment: Baseline updated	Annually	1	Number	Last Value	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G
D35	EI35	Enterprise iLembe - Finance	Chief Financial Officer	Number of repeat findings by deadline (except in cases where it is beyond EI control)	Number	To achieve a clean audit opinion		Municipal Financial Viability and Management	Clean audit opinion	To ensure adequate financial and administration management	Enterprise iLembe Enterprise	FV03	0					repeat findings by end December 2022		Quarterly	2	Number	Zero Last Value	0	2	0	0	1	0	0	0		0	G			0	0	1	R
D36	EI36	Enterprise iLembe Finance	Chief Financial Officer	Percentage progress on audit queries resolving plan by deadline	Percentage	To achieve a clean audit opinion		Municipal Financial Viability and Management	Clean audit opinion	To ensure adequate financial and administration management	Enterprise iLembe Enterprise	FV03	0					progress on audit queries resolving plan by end March 023	Reason for adjustment: Baseline updated Target achieved, in December 2022 therefore reveiwed	Quarterly	92.00%	Percent	Last Value	100.00%	92.00%	100.00%	100.00%	100.00%	100.00%	-100.00%	0.00%		0.00%	N/A			100.00%	100.00%	100.00%	G
D37	EI37	Enterprise iLembe Finance	Chief Financial Officer	Cost Coverage ratio by deadline (All available cash + investments/monthly fixed operating expenditure)	Ratio	To ensure sound expenditure management		Municipal Financial Viability and Management	Cost Coverage	Cashflow Management	Enterprise iLembe Enterprise	FV04	0					cost coverage ratio by 30 June 2023	Reason for adjustment Baseline updated	Monthly	3.70:1	Ratio	Last Value	0.042361111	3.70:1	01:01	01:01	2.19:1	01:01	00:01	01:01		2.19:1	R	Target exceeded and above the norm, through monitoring cashflow and investment of funds	N/A target exceeded	01:01	01:01	2.19:1	R
D38	EI38	Enterprise iLembe - Finance	Chief Financial Officer	Cashflow Management (Ability of EI to meet its financial obligations)	Number	To ensure sound expenditure management		Municipal Financial Viability and Management	Management of cashflow	Cashflow Management	Enterprise iLembe: Enterprise	FV04	0					days cash on hand by 30 June 2023	Reason for adjustment Baseline updated	Monthly	93	Number	Last Value	90	93	60	60	66	60	0	60		66	G2	Target exceeded and the IDM grant reflected on the July statement of which has not been accounted for in the calculation.	No corrective measure required, target met	60	60	66	G2
D39	EI39	Enterprise iLembe Finance	Chief Financial Officer	Percentage of operational expenditure by deadline (Actual operating expenditure/ Budgeted operating expenditure x 100) the norm range between 95% and 100%	Percentage	To ensure sound expenditure management		Municipal Financial Viability and Management	Operational expenditure monitoring	Expenditure management	Enterprise iLembe: Enterprise	FV04	46303565	49210648				operational expenditure by end June 2023	Reason for adjustment Baseline updated Budget adjusted.	Quarterly	84.00%	Percent	Last Value	100.00%	84.00%	100.00%	100.00%	81.00%	100.00%	0.00%	100.00%		81.00%	R	Budgeted expenditure R49 210 650 Actual Expenditure R39 834 453 Expenditure under target to projects that were still in progress and the year-end accruals are still to be affected on the system of which will impact on this current stated percentage	The cashflow projections will be monitored on a monthly basis and will be tabled at EXCO so as the procurement plan	100.00%	100.00%	81.00%	R
D40	EI40	Enterprise iLembe Enterprise	Executive Manager Corporate & Legal	Number of strategic plan for EI with clear measurable targets reviewed by the board by deadline	Number	Compliance and good Governance		Good Governance and Public Participation	Multi year strategic plan	To ensure good governance and provide Mandate aligned strategic direction	Enterprise iLembe: Enterprise	GP04	0					strategic plan for EI with clear measurable targets reviewed by the board by end of June 2023		Annually	1	Number	Last Value	1	1	1	1	1	1	0	1		1	G			1	1	1	G

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for July 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target adjustment	Actual	R
D41	E141	Enterprise iLembe Enterprise	Executive Manager Corporate & Legal	Number of board meetings & board sub-committee meetings held to ensure effectiveness of Board of Directors by deadline	Number	Compliance and good Governance		Good Governance and Public Participation	Good Governance	To ensure good governance and provide Mandate aligned strategic direction	Enterprise iLembe Enterprise	GP04	903900	803900				board meetings & board sub-committee meetings held by end June 2023	Reason for adjustment: Baseline updated Budget adjusted Targets adjusted to be in line with progress to date Responsible owner changed	Monthly	16	Number	Last Value	15	16	12	18	18	12	6	18		18	G			12	18	18	G
D42	E142	Enterprise iLembe Enterprise	Chief Executive Officer	Number of Audit Committee meetings held by deadline	Number	Compliance and good Governance		Good Governance and Public Participation	Audit Committee	To ensure effectiveness and guidance of the committee in all areas of the entity	Enterprise iLembe Enterprise	GP04	130000	234000				Audit Committee meetings held by 30 June 2023	Reason for adjustment Baseline updated Budget adjusted	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D43	E143	Enterprise iLembe Enterprise	Chief Executive Officer	Number of Audit Committee reports submitted to the Board by deadline	Number	Compliance and good Governance		Good Governance and Public Participation	Audit Committee	To ensure effectiveness and guidance of the committee in all areas of the entity	Enterprise iLembe Enterprise	GP04	0					Audit Committee reports submitted to the Board reports by end June 2023	Reason for adjustment: Baseline updated	Bi-Annually	2	Number	Last Value	2	2	2	1	2	2	0	2		2	G			2	2	2	G
D44	E144	Enterprise iLembe Enterprise	Chief Executive Officer	Number of coaching sessions of employees performance conducted timeously by deadline	Number	To ensure effective Performance Management		Good Governance and Public Participation	Coaching Session	People management	Enterprise iLembe Enterprise	GP07	0					coaching sessions of employees' performance conducted by end June 2023	Reason for adjustment Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D246	E1045	Enterprise iLembe Enterprise iLembe	Chief Executive Officer	Number of reports on the status of Enterprise iLembe to the Municipal Manager by the 10th day after every quarter has ended	Number	Compliance and good Governance	Number of reports on the status of Enterprise iLembe to the Municipal Manager by the 10th day after every quarter has ended (E1457L063)	Good Governance and Public Participation	Monitoring of the Entity	[Unspecified]	Enterprise iLembe Enterprise	GP06	0					reports on the status of Enterprise iLembe to the Municipal Manager by end June 2023		Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D278	E146	Enterprise iLembe Enterprise iLembe	Chief Financial Officer	Number of monthly financial information reports MFMA Section 87(11) submitted to the District by deadline	Number	To ensure sound budgeting and compliance principles		Municipal Financial Viability and Management	Quality, reliable financial statements and management information	Budget and compliance monitoring	Enterprise iLembe Finance	FV02	0					Monthly financial information reports MFMA Section 87(11) submitted to the District by 30 June 2023	Reason for adjustment KPI was omitted by the time of preparation It is added as it is a compliance matter	[Unspecified]	12	Number	Last Value	12	12	0	12	12	0	12	12		12	G	all monthly reports were submitted to IDM	N/A target met	0	12	12	G

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0% <= Actual/Target <= 88.999%	8
O	KPI Almost Met	99.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	28
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	6
B	KPI Extremely Well Met	150.000% <= Actual/Target	4
	Total KPIs:		46

Report generated on 31 August 2023 at 10:25

Ref	Unique KPI Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
T1.1	TS27-TL001	Senior Manager Technical Services	Technical Services	Rand value of MIG expenditure on water projects by deadline	South African Rands	To ensure access to potable water for domestic consumption and support local economic development	Yes	Basic Service Delivery and Infrastructure	MIG FUNDING Water Projects Expenditure	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented	8S01	R 74 853 852	R 84 906 852	0		9 156 000	Rand value of MIG expenditure on water projects by end June 2023	Baseline updated Budget adjusted 3rd Special Adjustment Budget April 2023 Budget increased	Quarterly	R66 694 182 00	South African Rands	Reverse Last Value	R66 694 182.00	R66 694 182.00	R87 485 352 00	R91 560 168 00	R90 477 944 21	R87 485 352 00	R4 074 816 00	R91 560 168 00		R90 477 944 21	R	[TS27] District Engineer OK: Expenditure is within the allowable 10% variance The Inyoni project valued to R435,785 removed from SDBIP as, there were delays on appointment of Contractor and is awaiting approval by	[TS27] District Engineer - OK Within 10% variance (June 2023)	R87 485 352.00	R91 560 168.00	R90 477 944.21	R
T1.2	TS04-TL002	Senior Manager: Technical Services	Technical Services	Number of reports prepared to monitor water quality by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes	Basic Service Delivery and Infrastructure	Blue drop assessment status	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	8S01	0	0				reports prepared to monitor water quality by 30 June 2023	Reason for adjustment Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
T1.3	TS34-TL003	Senior Manager: Technical Services	Technical Services	Percentage reduction of unaccounted water (real water losses) by deadline	Percent	To ensure access to potable water for domestic consumption and support local economic development	Yes	Basic Service Delivery and Infrastructure	Water conservation/ Water Demand Management reports	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	8S01	6 086 956 52	14 467 687	0		2 521 691	Reduction of unaccounted water (real water losses) from baseline of 46 11% by 30 June 2023	Baseline updated Corrected KPI, to ensure that it is well defined Budget adjusted We have increased activities for reduction of unaccounted water. Budget increased Q4 target reviewed	Annually	2 76%	Percent	Last Value	2%	3%	1 70%	1 00%	0 24%	1 70%	1 30%	3 00%	(was 2%) (was 1 70% reduction of unaccounted water (real water losses) (was Reduction of Water losses	0 24%	R	[TS34] Senior Manager Technical Services Projects related to real water loss reduction are still in progress, ie Glenhills mains replacement is due for completion in October 2023 and therefore the impact cannot be recorded yet The percentage reduction of 0 24 was derived only from leak replacement and PRV replacement (June 2023)	[TS34] Senior Manager Technical Services Overall reduction will be measured in the new financial year as it will include the benefit from the mains replacement project It must also be noted that the benefit of project implementation is mostly realised after a period following the project completion and therefore the results are clearly shown the next financial year (June 2023)	1.70%	3.00%	0.24%	R
T1.4	TS56-TL004	Senior Manager Technical Services	Technical Services	Number of progress reports on the replacement and upgrading of ageing infrastructure	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes	Basic Service Delivery and Infrastructure	Replace and upgrading ageing infrastructure	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	8S01	0		0			Progress reports on the replacement and upgrading of ageing infrastructure by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	[TS56] District Engineer IN: WSIG 4rd quarter report is attached This report shows progress on all projects implemented as part of the replacement and upgrading of ageing infrastructure (June 2023)	[TS56] District Engineer - IN: Report to be submitted DWS is attached (June 2023)	4	4	4	G
T1.5	TS02-TL005	Senior Manager Technical Services	Technical Services	Number of VIP toilets constructed and household s with waterborne sanitation to be connected by deadline	Number	To ensure access to basic sanitation for domestic purposes and support local economic development	Yes	Basic Service Delivery and Infrastructure	Sanitation Projects to be implemented	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	8S02	108 399 072 allocated for TL005 and TL006	111 089 185 00 Allocated for TL005 and TL006	allocated for TL005 and TL006		R 99 656 306 allocated for TL005 to TL006	VIP toilets completed by 30 June 2023	Baseline updated Budget adjusted Groutville D Waterborne Sanitatio - Target removed as household connections are done by KwaDukuza Municipality 3rd Special Adjustment Budget- April 2023 Additional VIP toilets included	Bi-Annually	1 386	Number	Last Value	1 904	1 386	1 760	1 845	1 918	1 760	85	1 845	VIP toilets	1 918	G2	[TS02] District Engineer - BK: The project managers requested for an increase in the unit cost due to increase in fuel, steel and other building material The request for an increase in the unit cost was delayed and only implemented from January 23 This allowed for the savings in the first two quarters to be ploughed back to construct more units (June 2023)		1 760	1 845	1 918	G2
T1.6	TS03-TL006	Senior Manager Technical Services	Technical Services	The percentage of households with access to basic level of sanitation by deadline	Percent	To ensure access to basic sanitation for domestic purposes and support local economic development	Yes	Basic Service Delivery and Infrastructure	Sanitation Projects to be implemented	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	8S02	108 399 072 allocated for TL005 and TL006	111 089 185 00 Allocated for TL005 and TL006	0		R 99 656 306 allocated for TL005 to TL006	Households with access to basic level of sanitation by 30 June 2023	Baseline updated Budget adjusted Target reviewed due to reduction in number of households to be connected 3rd Special Adjustment Budget- April 2023 Budget reduced	Annually	88 18%	Percent	Stand-Alone	0.8813	0.8818	89 05%	89 10%	89 18%	89 05%	0 05%	89 10%		89 18%	G2	[TS03] Senior Manager: Technical Services The project managers requested for an increase in the unit cost due to increase in fuel, steel and other building material. The request for an increase in the unit cost was delayed and only implemented from January 23 This allowed for the savings in the first two quarters to be ploughed back to construct more units (June 2023)		89.05%	89.10%	89.18%	G2
T1.7	TS46-TL007	Senior Manager Technical Services	Technical Services	Rand value of MIG VIP Toilets expenditure	South African Rands	To ensure access to basic sanitation for domestic purposes and support local	Yes	Basic Service Delivery and Infrastructure	MIG funding OPEX	[Unspecified]	8S02	21 739 126	26 07 7 930	0		2 939 001	Rand value of MIG - VIP Toilets expenditure by end June 2023	Baseline updated Budget adjusted No WSIG funding 3rd Special Adjustment	Quarterly	R28 541 221 00	South African Rands	Last Value	R28 623 671.00	R28 541 221.00	R21 739 126 00	R29 390 016 00	R29 725 472 70	R21 739 126 00	R7 650 890 00	R29 390 016 00		R29 775 472 70	G2	[TS46] District Engineer OK. Expenditure is within the allowable 10% variance (June 2023)		R21 739 126.00	R29 390 016.00	R29 725 472.70	G2

Ref	Unique Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL8	TS72-TL008	Senior Manager Technical Services	Technical Services	Rand value of MIG expenditure on sanitation projects	South African Rands	To ensure access to basic sanitation for domestic purposes and support local economic development	Yes	Basic Service Delivery and Infrastructure	MIG FUNDING Sanitation Expenditure	(Unspecified)	B502	83723846	85016250	0		70266290	Rand value of MIG expenditure on sanitation projects by end June 2023	Baseline updated Budget adjusted 3rd Special Adjustment Budget April 2023 Budget reduced Original and adjusted Budget corrected to be inline with allocation	Quarterly	R73 331 836 00	South African Rands	Last Value	81183545	73331836	R83 723 346 00	R70 266 290 00	R72 908 198 00	R83 723 346 00	R13 457 056 00	R70 266 290 00		R72 908 198 00	G2	[TS72] District Engineer DK: Expenditure is within the allowable 10% variance (June 2023)		R83 723 346.00	R70 266 290.00	R72 908 198.00	G2
TL9	TS01-TL009	Senior Manager Technical Services	Technical Services	Percentage decrease in backlog eradication by deadline	Percent	To ensure access to basic sanitation for domestic purposes and support local economic development	Yes	Basic Service Delivery and Infrastructure	Sanitation backlog eradication	(Unspecified)	B502	0	111089185	0		R 99 656.306	Decrease from baseline of 11 87% by 30 June 2023	Baseline updated Budget adjusted Took out rounding off from annual target description Target reviewed due to reduction in number of households to	Annually	0 74%	Percent	Stand Alone	1%	1%	0 92%	0 96%	1 00%	0 92%	0 04%	0 96%	decrease from baseline of 11 86% by 30 June 2023	1 00%	G2	[TS01] District Engineer DK: Additional units achieved due to delaying/increasing of the unit cost and some units were a carryover from previous year (June 2023)		0.92%	0.96%	1.00%	G2
TL10	TS05-TL010	Senior Manager Technical Services	Technical Services	Number of reports prepared to monitor waste water	Number	To ensure access to basic sanitation for domestic	Yes	Basic Service Delivery and Infrastructure	Green drop assessment status	(Unspecified)	B502	0		0			reports prepared to monitor waste water quality by 30 June	Reason for adjustments: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	[TS05] Manager: Water Quality r (June 2023)		4	4	4	G
TL11	TS06-TL011	Senior Manager Technical Services	Technical Services	Number of reports on monitoring of the concession submited by deadline	Number	Monitor Sza Water concession contract	Yes	Basic Service Delivery and Infrastructure	Sza Water Plan	To monitor performance of the appointed service provider	B503	0		0			reports on monitoring of the concession submitted by 30 June 2023	Reason for adjustments: Baseline updated Target reviewed as Q4 report for the previous year	Quarterly	1	Number	Last Value	4	3	4	4	4	4	0	4		4	G			4	4	4	G
TL12	TS09-TL012	Senior Manager Technical Services	Technical Services	Number of job opportunities s created through water infrastructu	Number	Create job opportunities through Infrastructure Project	Yes	Basic Service Delivery and Infrastructure	Implementation of projects that require manual labour	(Unspecified)	B504	109 39000	179 98000	0			job opportunities created by 30 June 2023	Reason for adjustments: Baseline updated Budget adjusted	Quarterly	1 111	Number	Last Value	1107	1111	1 200	1 200	1 204	1 200	0	1 200		1 204	G2	[TS09] Manager: WSP NM Target met files with ID copies, POP and timesheets or registers are available (June 2023)		1 200	1 200	1 204	G2
TL13	FID001-TL013	Chief Financial Officer	Finance	Percentage revenue collection rate by deadline	Percent	To ensure sound revenue management	No	Municipal Financial Viability and Management	Revenue Collection	Revenue management	FV01	0		0			collection rate by end June 2023	Reason for adjustments: Baseline updated	Quarterly	58 00%	Percent	Last Value	65%	58%	65 00%	65 00%	52 00%	65 00%	0 00%	65 00%		52 00%	R	[FID001] Manager Revenue Target not met Consumers are still finding it extremely difficult to honor their debts Some have lighted that they are experiencing economic difficulties Some are not honoring their arrangements that have been put in place (June 2023)	[FID001] Manager: Revenue Target not met implementation of the credit control and debt collection policy. Staff changes Staff growth Tracking of debt collection per week. Targeting consumers where there is consistent water supply (June 2023)	65.00%	65.00%	52.00%	R
TL14	FID002-TL014	Chief Financial Officer	Finance	Number of reduction of unmetered households by deadline	Number	To ensure sound revenue management	No	Municipal Financial Viability and Management	Unmetered households	Revenue management	FV01	0		0			Reduction of unmetered households by end June 2023	Reason for adjustments Baseline updated Targets adjusted to be in line with progress to date	Quarterly	1 328	Number	Last Value	1000	1328	1 000	1 500	1 545	1 000	500	1 500		1 545	G2	[FID002] Manager: Revenue Target met (April 2023) [FID002] Manager: Revenue Target met (May 2023) [FID002] Manager: Revenue Target met as there has been an intense operation with regards to metering households where applications have been made. Also those that have meters on the ground but are not on the financial system The audit is on an ongoing basis (June 2023)	[FID002] Manager: Revenue: Target met (May 2023) [FID002] Manager: Revenue Target Met Ensuring that unmetered households are metered and billed (June 2023)	1 000	1 500	1 545	G2
TL15	FID004-TL015	Chief Financial Officer	Finance	Percentage accuracy in billing by deadline	Percent	To ensure sound revenue management	No	Municipal Financial Viability and Management	Accuracy in billing	Revenue management	FV01	0		0			Accuracy in billing by end June 2023	Reason for adjustments Baseline updated Targets adjusted to be in line with progress to date	Quarterly	99 98%	Percent	Last Value	0.95	0.9998	95 00%	98 00%	99 00%	95 00%	3 00%	98 00%		99 00%	G2	[FID004] Manager: Revenue: Target met (April 2023) [FID004] Manager Revenue Target met (May 2023) [FID004] Manager: Revenue: Target met Ensuring all meters are billed accordingly Tracking of meter reading schedule on a weekly basis (June 2023)	[FID004] Manager: Revenue Target met Ensuring all consumers are billed (April 2023) [FID004] Manager: Revenue Target met (May 2023) [FID004] Manager Revenue. Target Met (June 2023)	95.00%	98.00%	99.00%	G2
TL16	FID008-TL016	Chief Financial Officer	Finance	Submission of quarterly reports by deadline	Number	To ensure sound budgeting and compliance principles	No	Municipal Financial Viability and Management	Compliance with MFMA regulations	Budget and compliance monitoring	FV02	0		0			Quarterly reports not submitted later than 24 working days after end of each quarter	Reason for adjustments Baseline updated This KPI only measures quarterly reports: BM, FMG & IM	Quarterly	28 Number		Last Value	40	28	28	28	30	28	8	28		30	G			28	28	28	G
TL17	FID019-TL017	Chief Financial Officer	Finance	Number of Clean audit opinion report received from AG for	Number	To acheive a clean audit opinion	No	Municipal Financial Viability and Management	Clean audit opinion	Budget and compliance monitoring	FV03	0		0			Clean audit opinion report received from AG for 2021/2022 financial year	Reason for adjustments Baseline updated	Annually	0 Number		Stand Alone	1	0	1	1	0	0	0	0		0	N/A			1	1	0	R

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																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL18	FID013 TL018	Chief Financial Officer	Finance	Number of repeat findings in the Auditor General's management report by deadline	Number	To achieve a clean audit opinion	No	Municipal Financial Viability and Management	Clean audit opinion	Budget and compliance monitoring	FV03						Repeat findings for the finance department by end June 2023	Reason for adjustments Baseline updated	Annually	2	Number	Reverse Stand-Alone	0	2	0	0	2	0	0	0	2	R			0	0	2	R
TL19	FID014 TL019	Chief Financial Officer	Finance	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	number	To ensure sound expenditure management	No	Municipal Financial Viability and Management	Liquidity Management (Pg 7 & 8 of MFMA circular 71)	Cashflow Management	FV04						Days cash on hand by 30 June 2023	Reason for adjustments Baseline updated	Quarterly	64	Number	Last Value	30	84	60	60	83	60	0	60 days	83	G2	[FID014] Manager Expenditure Target met (April 2023) [FID014] Manager Expenditure Management has been implementing the financial recovery strategy over the five past years This strategy involved creating cash reserves and applying cost containment measures This has resulted in improvement in the liquidity position of the Municipality The municipality also has consistently been servicing its debt obligation religiously All these factors have enabled the Municipality to over achieve its liquidity target (May 2023) [FID014] Manager Expenditure This indicator is largely (positively) impacted by	[FID014] Manager Expenditure Target met (April 2023) [FID014] Manager Expenditure No corrective measures are necessary (May 2023) [FID014] Manager Expenditure No corrective measures are necessary (June 2023)	60	60	83	G2
TL20	FID018 TL020	Chief Financial Officer	Finance	Percentage progress in implementing procurement plan by deadline	Percent	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within the policy framework	No	Municipal Financial Viability and Management	Implementation of demand management	Supply chain management	FV05						Progress in implementing procurement plan by end June 2023	Reason for adjustments: Baseline updated	Quarterly	57.14%	Percent	Last Value	0.8	0.5714	100.00%	100.00%	59.37%	100.00%	0.00%	100.00%	59.37%	R	[FID018] Manager Supply Chain Management TARGET IS WITHIN THE 60 PERCENT RANGE, THE PERCENTAGE SHOULD INCREASE DUE THE PROJECTS THAT WILL BE AWARDED DURING THE FINAL QUARTER (April 2023) [FID018] Manager. Supply Chain Management Some project processes we due to start late in the financial year however some of these projects have not been finalised and has affected the percentage of hte proc plan. (May 2023) [FID018] Manager. Supply Chain Management Some project processes we due to start late in the financial year however some of these projects have not been finalised and has affected the	[FID018] Manager Supply Chain Management NONE, TARGET IS WITHIN REACH (April 2023) [FID018] Manager: Supply Chain Management. User departments should finalise processes sooner however if these processes are finalised late in the year most likely it will overlap into the new year (May 2023) [FID018] Manager Supply Chain Management User departments	100.00%	100.00%	59.37%	R
TL21	FID019 TL021	Chief Financial Officer	Finance	Number of days for finalisation of tender awards (scm processes) by deadline (closing date of an advert to the date of award with no objections)	Number	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within the policy framework	No	Municipal Financial Viability and Management	Implementation of acquisition management	Supply chain management	FV06						Calendar days for finalization of tender awards by end June 2023	Reason for adjustments Baseline updated	Quarterly	128	Number	Reverse Last Value	90	128	90	90	158	90	0	90 calendar days	158	R	[FID019] Manager Supply Chain Management TS/228 Evaluation of the project was time consuming due to the number of bidders that applied to be on the panel TS/229 There was a discrepancy in the pricing due to the awarded bidders price. Meetings wer eheld with the service provider to resolve the issue which resulted in a longer period for the finalisation of the bid (June 2023)	[FID019] Manager Supply Chain Management These were situations which are not in control of the Municipality however there will be such delays if the above circumstances do arrise (June 2023)	90	90	158	R
TL22	FID021 TL022	Chief Financial Officer	Finance	Number of asset verification on Movable assets including 2020/2021 4th quarter by deadline	Number	To ensure sound and effective asset management	No	Municipal Financial Viability and Management	Conduct Asset Verification for Quality and a reliable fixed asset register	Assets and logistics management	FV06						Asset verification on movable assets conducted by 30 June 2023	Reason for adjustments. Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	4	G	[FID021] Manager Assets & Logistics Management N/A (June 2023)	[FID021] Manager Assets & Logistics Management N/A (June 2023)	4	4	4	G
TL23	FID022 TL023	Chief Financial Officer	Finance	Number of asset verification on Immovable assets for 2020/2021 FY by deadline	Number	To ensure sound and effective asset management	No	Municipal Financial Viability and Management	Conduct Asset Verification for Quality and a reliable fixed asset register	Assets and logistics management	FV006						Asset verification on immovable assets by end September 2022	Reason for adjustments Baseline updated	Annually	1	Number	Last Value	1	1	1	1	1	0	0	0	0	N/A			1	1	1	G
TL24	CPS004 TL024	Senior Manager Corporate Services	Corporate Services	Percentage of budgeted posts filled as per approved staff establishment by deadline	Percent	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Recruitment	[Unspecified]	MTOD1						Budgeted posts filled as per approved staff establishment by deadline End June 2023	Reason for adjustments Target reviewed to be in line with progress to date	Quarterly	0.00%	Percent	Last Value	New Indicator	New Indicator	80.00%	85.00%	81.00%	80.00%	5.00%	85.00%	81.00%	R	[CPS004] Manager Human Resources The vacancy rate remains at 81% due to there being a few terminations for the month (April 2023) [CPS004] Manager Human Resources Challenge is that there is no control of terminations and there has been a high volume of terminations in the financial year (June 2023)	[CPS004] Manager Human Resources Target to be met in Q1 of the new financial year as post were advertised and the recruitment processes are currently underway (June 2023)	80.00%	85.00%	81.00%	R

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																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL25	CPS010 TL025	Senior Manager Corporate Services	Corporate Services	Number of reports on implementation of District Human Resource Development Strategy/Plan by deadline	Number	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Recruitment	[Unspecified]	MTI01						Reports on implementation of District Human Resource Development Strategy/Plan by end June 2023	Reason for adjustments: Baseline updated KPA corrected to be in line with implementation plan	Quarterly	4	Number	Last Value	4	4	4	4	1	4	0	4	4	G			4	4	4	G
TL26	CPS007 TL026	Senior Manager Corporate Services	Corporate Services	Percentage municipality s budget actually spent on implementing the approved WSP by deadline	Percent	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Skills retention	[Unspecified]	MTI01	262732		0			Municipality budget spent by end June 2023	Reason for adjustments: Baseline updated Q3 target reviewed to ensure that, it is realistic	Quarterly	0.61%	Percent	Last Value	0.01	0.0061	1.00%	1.00%	0.25%	1.00%	0.00%	1.00%	0.25%	R	[CPS007] Manager Human Resources Technical Services trainings were not approved (plumbing, water and wastewater) Hence, training budget could not be spent The procurement process starting from the existing panel of service providers to the full advertisement and scm selection process through Bid Committees, consistently had 1 service provider who responded Approval was not granted on the grounds of the risk on the capacity of the service provider to conduct all the trainings listed (June 2023)	[CPS007] Manager Human Resources The planned trainings that were not done in the 2022/23 FY will be done in the new financial year and budget will be spent accordingly Re-advertisement to be done (June 2023)	1.00%	1.00%	0.25%	R
TL27	CPS008 TL027	Senior Manager Corporate Services	Corporate Services	Percentage of employees trained in accordance with the WSP by deadline	Percent	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Skills retention	[Unspecified]	MTI01			0			Employees trained in accordance with the WSP by end June 2023	Reason for adjustments Baseline updated KPA corrected to be in line with implementation plan.	Quarterly	47.00%	Percent	Last Value	35%	4.7%	90.00%	90.00%	5.75%	90.00%	0.00%	90.00%	5.75%	R	[CPS008] Manager Human Resources Technical Services trainings were not approved (Plumbing, water and wastewater) Only 1 service provider was approved for all trainings Although 5 employees were trained in June but only 2 were added on the list of trained employees as 3 employees were already trained it should be also noted that 36 employees trained were not on WSP The procurement process starting from the existing panel of service providers to the full advertisement and scm selection process through Bid Committees, consistently had 1 service provider who responded Approval was not granted on the grounds of the risk on	[CPS008] Manager Human Resources All trainings that were not done in the 2022/23 FY will be done in the new financial year (June 2023)	90.00%	90.00%	5.75%	R
TL28	CPS012 TL028	Senior Manager Corporate Services	Corporate Services	Number of employee wellness programmes held by deadline	Number	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Employee wellness	[Unspecified]	MTI01	104389	81514	0			Employee wellness programmes held by end June 2023	Reason for adjustments Baseline updated Budget adjusted	Quarterly	8	Number	Last Value	5	6	4	4	4	4	0	4	4	G			4	4	4	G
TL29	CPS013 TL029	Senior Manager Corporate Services	Corporate Services	Number of activities completed on Implementation of IPMS to Task Grade 14 15 by deadline	Number	To ensure effective Performance Management	No	Municipal Institutional Development and Transformation	Individual Performance Management (IPMS)	[Unspecified]	MTI02			0			Activities - Develop performance plans, signed performance plans, Mid-term Review of performance plans and Report of performance of Task grade 14-15 submitted to MANCO completed on Cascading of	Reason for adjustments: Baseline updated KPA corrected to be in line with implementation plan	Quarterly	3	Number	Last Value	4	3	4	3	0	4	0	4	Activity 4 Report of performance of Task grade 14-15 submitted to MANCO	0	R	[CPS013] Manager Human Resources Performance reviews could not be done because Managers had not signed Performance Plans with the Senior Managers and MM (June 2023)	[CPS013] Manager Human Resources The HR IPMS will set deadline dates for the signing of Performance Plans which if not, the matter gets escalated to MANCO, EXCO, and Council (June 2023)	4	4	0	R
TL30	CPS014 TL030	Senior Manager Corporate Services	Corporate Services	Number of reports on Implementation of Occupational Health & Safety Plan and Policy by deadline	Number	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Occupational Health & Safety Plan (OHS)	[Unspecified]	MTI03			0			Reports on Implementation of Occupational Health & Safety Plan and Policy by end June 2023	Reason for adjustments Baseline updated KPA corrected to be in line with implementation plan	Quarterly	12	Number	Last Value	12	12	12	12	12	12	0	12	12	G	[CPS014] Manager Human Resources For the month of May, the Municipal Manager did not sign the report as the LPA meeting did not take place (June 2023)		12	12	12	G
TL31	CPS016 TL031	Senior Manager Corporate Services	Corporate Services	Number of Council meetings held by deadline	Number	To ensure effective governance through regular Council meetings	No	Municipal Institutional Development and Transformation	Council meetings held	[Unspecified]	MTI04			0			Council meetings held by end June 2023	Reason for adjustments Baseline updated Target reviewed as Annual target exceeded at bi annual due to special meetings held	Quarterly	11	Number	Last Value	9	11	6	11	15	4	7	11	15	G2	[CPS016] Manager Support Services Target exceed due to Special meetings (June 2023)		4	11	15	G2

Ref	Mun Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL32	CPS017 TL032	Senior Manager: Corporate Services	Corporate Services	Number of Exco meetings held by deadline	Number	To ensure effective governance through regular Council meetings	No	Municipal Institutional Development and Transformation	Exco meetings held	[Unspecified]	MTI04			0			Exco meetings held by end June 2023	Reason for adjustments: Baseline updated as an actual is 19	Quarterly	22	Number	Last Value	20	21	24	24	20	24	0	24	20	R	[CPS017] Manager Support Services: At the request of the Chairperson, the meeting was combined with the one on the 25th of April 2023 (April 2023) [CPS017] Manager Support Services: Exco meeting dated 09 May 2023 was held together with the one dated 30 May 2023 (May 2023) [CPS017] Manager Support Services: Reason for not meeting the target: Council was already on recess on the date of the second meeting of December The Exco meetings of February 2023, April 2023 and May 2023 sat only once this was as per the Chairperson request due to other Council commitments (June 2023)	[CPS017] Manager Support Services: There will be two meetings scheduled for the month of May 23 (April 2023) [CPS017] Manager Support Services: The outstanding meetings will be held on the month of June 2023 (May 2023) [CPS017] Manager Support Services: Going forward, we will ensure that meetings are held in line with the legislation (June 2023)	24	24	20	R
TL33	CPS022 TL033	Senior Manager: Corporate Services	Corporate Services	Number of monthly Fleet management reports completed by deadline	Number	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Fleet management	[Unspecified]	MTI05			0			Monthly Fleet management reports completed by 30 June 2023	Reason for adjustments: Baseline updated KPI adjusted to ensure that it is well defined	Quarterly	12	Number	Last Value	12	12	12	12	17	17	0	12	17	G			12	12	12	G
TL34	MM031-TL034	Legal Advisor	Office of the Municipal Manager	Number of days taken to respond to legal matters by deadline (formal objection/service level agreements)	Number	To provide legal advice and ensure resolution of legal matters against and/or on behalf of the municipality	No	Municipal Institutional Development and Transformation	Legal matters	[Unspecified]	MTI06	1315269	Refer to MM029 for budget allocation	0			Days taken to respond to legal matters by 30 June 2023	Reason for adjustments: Baseline updated Target adjusted to be more realistic	Quarterly	0	Number	Reverse Last Value	30	0	30	30	22	30	0	30 days	22	R	[MM031] Legal Advisor November was 34, February was 21 and March is 11 which all equals to 66 thereafter divided by 3 which equals to 22 (May 2023) [MM031] Legal Advisor No new legal cases to respond to in June Target was achieved in March because legal cases were served to legal office The objections were lodged sooner than when cases are served at registry first before coming to legal office (June 2023)		30	30	22	R
TL35	CPS018 TL035	Senior Manager: Corporate Services	Corporate Services	Number of ICT strategy project plans developed by deadline (Internal Audit system, Network Infrastructure.)	Number	To provide an innovative, effective and efficient Information and Communication Technology services including implementation of new Resource Efficiency Technologies	No	Municipal Institutional Development and Transformation	ICT strategy	[Unspecified]	MTI07	5500000	3100000	0			ICT project plans developed by end June 2023	Reason for adjustments: Baseline updated Removed, LAN Upgrade (Phase 2) is delayed as it is dependent on Technical Service Offices refurbishment.	Quarterly	3	Number	Stand Alone	6	3	4	2	0	2	0	2	0	R	[CPS023] Manager ICT Project for the Internal Audit System and Network Infrastructure are awaiting approval from the Municipal Manager (May 2023) [CPS023] Manager ICT 1. The Internal Audit System project was not achieved due to delays in the approval of requisitions to start the SCM processes As at end of June 2023, the project was at evaluation stage after receipt of proposals from service providers 2 The The Network Security project under Network Infrastructure project was not achieved due to delays in the approval of requisitions to start the SCM processes As at end of June 2023, the project was at adjudication stage after the BEC concluded the	[CPS023] Manager ICT: Once approval is granted acquisition of the systems will commence and implementation thereafter (May 2023) [CPS023] Manager ICT: Approvals of projects by Senior Management are crucial to the successful implementation of these projects in order to achieve the project objectives (June 2023)	2	2	0	R
TL36	CPS024 TL036	Senior Manager: Corporate Services	Corporate Services	Number of reports on the implementation of the ICT Governance framework by deadline	Number	To provide an innovative, effective and efficient Information and Communication Technology services including implementation of new Resource Efficiency Technologies	No	Municipal Institutional Development and Transformation	ICT Governance Framework	[Unspecified]	MTI07	0		0			reports on the implementation of the ICT Governance framework by 30 June 2023	Reason for adjustments: Baseline updated implementation plan target for Year 1 that is 2022/2023 - Development and adoption of ICT Strategy & Governance Framework, could not be measured on SDBIP as there are budget challenges to appoint the Service Provider Original Target moved to next	Bi-Annually	0	Number	Last Value	2	0	1	2	0	1	1	2 reports on the implementation of the	0	R	[CPS024] Manager ICT: Quarterly reports on the implementation of the ICT Governance Framework due by end of 4th quarter (May 2023) [CPS024] Manager ICT: This is a strategic KPI which is part of the implementation plan, and therefore cannot be taken out even though the budget was not there in the 2022/2023 financial year The budget limitations led to it being deferred for implementation in the 2023/2024 financial year (June 2023)	[CPS024] Manager ICT: Budget provision has been made for the new financial year, i.e., 2023/2024 to achieve this target (June 2023)	1	2	0	R
TL37	CPS026 TL037	Senior Manager: Corporate Services	Corporate Services	Number of reports on the maintenance of ICT infrastructure by	Number	To provide an innovative, effective and efficient Information and Communication	No	Municipal Institutional Development and Transformation	Functional ICT infrastructure	[Unspecified]	MTI07	0		0			reports on the maintenance of ICT infrastructure by 30 June 2023	Reason for adjustments: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	4	G	[CPS026] Manager ICT: Report on maintenance of ICT infrastructure for the 4th quarter will be due on 30 June 2023 (May 2023)		4	4	4	G
TL38	CPS025 TL038	Senior Manager: Corporate Services	Corporate Services	Percentage implementation of Telephone management system at	Percent	To provide an innovative, effective and efficient Information and	No	Municipal Institutional Development and Transformation	Telephone Management system	[Unspecified]	MTI07	0	1300000	0			Implementation of Telephone management system by 30 June 2023	Reason for adjustments: Baseline updated Budget adjusted	Bi-Annually	74.00%	Percent	Last Value	1	0.74	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	100.00%	G			100.00%	100.00%	100.00%	G

Ref	Previous Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL39	EI03-TL039	Chief Executive Officer	Enterprise iLembe	Number of new and existing small scale farmers identified	Number	To upscale Agriculture development in the district	No	Local Economic Development	Open Fields	Co-ordination of LED in the District	LED02	600000		0			New and existing small scale farmers identified and supported by the Entity by	Reason for adjustments Baseline updated Job title changed	Quarterly	20	Number	Stand-Alone	20	20	20	20	20	20	0	20		20	G	[EI03] Project Manager (Agriculture) 20 Farmers supported for the quarter (June 2023)		20	20	20	G
TL40	EI04 TL040	Chief Executive Officer	Enterprise iLembe	Number of new markets secured for capacitated	Number	To upscale Agriculture development in the district	No	Local Economic Development	New markets for farmers	Co-ordination of LED in the District	LED02	0		0			New markets secured for capacitated farmers by end June 2023	Reason for adjustments: Baseline updated Job title changed	Quarterly	2	Number	Last Value	2	2	4	4	4	4	0	4	new markets secured	4	G	[EI04] Project Manager (Agriculture) Two more markets identified and secured (June 2023)		4	4	4	G
TL41	EI10-TL041	Chief Executive Officer	Enterprise iLembe	Percentage of annual increase of tourists (As per calendar	Percentage	To capitalize on tourism potential of the District	No	Local Economic Development	Tourism Performance	To increase visitor numbers to the iLembe District	LED03	209600	204000	0			Annual increase of tourists to iLembe by end March 2023	Reason for adjustments Baseline updated as per calendar year as	Bi-Annually	27.00%	Percent	Carry Over	2%	2%	5.00%	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%	N/A			5.00%	5.00%	5.00%	
TL42	EI07-TL042	Chief Executive Officer	Enterprise iLembe	Number of exhibitions attended by deadline	Number	To capitalize on tourism potential of the District	No	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	LED03	284640		0			Exhibitions attended by end June 2023	Reason for adjustments Baseline updated Job title changed	Quarterly	5	Number	Last Value	3	5	3	3	4	1	0	1		4	G2	[EI07] Executive Manager Investment Promotion & Marketing TKZN provided space for exhibiting at Meetings Africa at no cost, the opportunity was taken up in an effort to promote business tourism (June 2023)		3	3	4	G
TL43	EI08-TL043	Chief Executive Officer	Enterprise iLembe	Number of tourism adverts/advertorials by deadline (print and electronic) in relevant platforms	Number	To capitalize on tourism potential of the District	No	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	LED03	129917	135000	0			Tourism adverts/advertorials (print and electronic) in relevant platforms by end June 2023	Reason for adjustments Baseline updated Budget adjusted Job title changed Targets adjusted to be	Quarterly	8	Number	Last Value	8	8	1	12	17	8	4	12		17	G2	[EI08] Executive Manager Investment Promotion & Marketing Exceeding the target was achieved through leveraging of earned and free media exposure (June 2023)		8	12	17	G
TL44	EI09-TL044	Chief Executive Officer	Enterprise iLembe	Number of Official Tourism Travel Guide for 2023/2024 developed by deadline	Number	To capitalize on tourism potential of the District	No	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	LED03	212197	212000	0			Official Tourism Travel Guide for 2023/2024 developed by end May 2023	Reason for adjustments: Baseline updated Job title changed	Annually	1	Number	Last Value	1	1	1	1	1	1	0	1		1	G			1	1	1	G
TL45	EI35 TL045	Chief Executive Officer	Enterprise iLembe	Number of marketing platforms for investment promotion deadline	Number	To increase investment within the District	No	Local Economic Development	Investment attraction & facilitation	To profile the iLembe District for trade and investment	LED04	60000		0			marketing platforms for investment promotion by end June 2023	Reason for adjustments Baseline updated Job title changed Target adjusted to be in line with progress to date.	Quarterly	3	Number	Last Value	4	5	1	6	8	4	2	6		8	G2	[EI15] Executive Manager Investment Promotion & Marketing The entity was able to leverage additional space for marketing and promotions (June 2023)	[EI15] Executive Manager Investment Promotion & Marketing None (June 2023)	4	6	8	G2
TL46	EI16-TL046	Chief Executive Officer	Enterprise iLembe	Number of District Wide Incentive Scheme developed	Number	To increase investment within the District	No	Local Economic Development	District Wide Incentive Scheme	To attract interest in investment in the iLembe District	LED04	500000	404225	0			Draft District Wide Incentive Scheme developed by 30 June 2023	Reason for adjustments Baseline updated Budget adjusted	Annually	0	Number	Last Value	1	0	1	1	1	1	0	1		1	G			1	1	1	G
TL47	EI33-TL047	Chief Executive Officer	Enterprise iLembe	Number of Business Confidence Index developed	Number	To increase investment within the District	No	Local Economic Development	Provide Market Intelligence (International National	To attract interest in investment in the iLembe District	LED04	65000		0			Business Confidence Index developed by end March	Reason for adjustments Baseline updated Job title changed	Bi-Annually	2	Number	Last Value	2	2	1	1	2	0	0	0		0	N/A			2	2	2	G
TL48	EI14-TL048	Chief Executive Officer	Enterprise iLembe	Rand value of investment by deadline	South African Rands	To increase Manufacturing output within the district	No	Local Economic Development	Investment attraction & facilitation	To attract interest in investment in the iLembe District	LED04	##########		0			Investment by end June 2023	Reason for adjustments Baseline updated	Annually	R1 800 000 000	South African Rands	Last Value	1000000000	1800000000	R100 000 000 00	R100 000 000 00	R262 000 000 00	R100 000 000 00	R0 00	R100 000 000 00		##########	B	[EI14] Chief Executive Officer Higher than anticipated value of investment attracted The District remains an attractive investment destination (June 2023)		R100 000 000.00	R100 000 002.00	R262 000 000.00	B
TL49	EI26-TL049	Chief Executive Officer	Enterprise iLembe	Number of co-operatives/SMMEs trained on basic business management skills by deadline	Number	To ensure job creation	No	Local Economic Development	Co-operative Development	To identify and package new projects in existing sectors	LED05	732210 allocated to TL049 to TL050		0			By end September 2022	Reason for adjustments Baseline updated Job title changed Annual target exceeded at bi annual Target reviewed to be in line with progress to date	Quarterly	117	Number	Last Value	100	117	20	110	159	20	90	110		159	G2	[EI26] Project Manager (Enterprise Development) Target achieved Actual as at 31 March 2023 was 101 and added 36 SMMEs trained in April and May 2023 and 22 SMME's trained for Operation Vula Fund total is 159 SMMEs trained This target has been achieved though the implementation of the Operation Vula Funding and Business Management Workshops (June 2023)		90	110	159	G2
TL50	EI27-TL050	Chief Executive Officer	Enterprise iLembe	Number of programmes implemented by deadline	Number	To ensure job creation	No	Local Economic Development	Capacity Building and Mentorship support for small enterprises	To identify and package new projects in existing sectors	LED05	732210 allocated to TL049 to TL050		0			Programmes implemented by end June 2023	Reason for adjustments Baseline updated Job title changed	Quarterly	5	Number	Last Value	8	6	4	6	8	4	0	4		4	G	[EI27] Project Manager (Enterprise Development) Target achieved During the last quarter of the financial year the following programmes were implemented SMME Summit, Digital Skills Centre, SMME financial assistance programem, Operation Vula Fund Programme (June 2023)		4	4	4	G
TL51	EI28-TL051	Chief Executive Officer	Enterprise iLembe	Number of engagement sessions with local businesses, by deadline	Number	To ensure job creation	No	Local Economic Development	Engagement sessions	To identify and package new projects in existing sectors	LED05	732210		0			Engagement sessions with local businesses by end June 2023	Reason for adjustments Baseline updated Job title changed Annual target exceeded at bi-annual Target reviewed to be in line with progress to date	Quarterly	14	Number	Last Value	11	14	4	6	8	4	2	6		8	G2	[EI28] Project Manager (Enterprise Development) Target achieved actual as at 31 March 2023 was 5 and further 3 programmes have been implemented SMME Summit, Operation Vula Engagement session, launch of the Digital Centre (June 2023)		6	6	8	G2

Ref	IDP Ref / Institutional Scorecard	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022 2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Quarter ending June 2023								Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL52	EI31 TL052	Chief Executive Officer	Enterprise Hambe	Number of impact analysis reports prepared	Number	To ensure Small, Micro, Medium Enterprises (SMME)	No	Local Economic Development	Measure the functionality of District Business Incubator by	To ensure sustainability for SMME's	LED06	0		0			By end June 2023	Reason for adjustments Baseline updated Responsible	Annually		Number	Last Value	2	2			1	1	1	1	0	1	G			1	1	1	G
TL53	EI30 TL053	Chief Executive Officer	Enterprise Hambe	Number of feasibility studies for recycling projects conducted by deadline	Number	To encourage local businesses to take advantage of government programmes	No	Local Economic Development	Recycling projects	To carryout recycling projects	LED07	0		0			feasibility studies for recycling projects conducted by 30 June 2023		Annually	0	Number	Last Value	New Indicator	New Indicator				1	1	1	0	1	1	G			1	1	1	G
TL54	CS004 - TL054	Senior Manager: Community Services	Community Services	Number of communication Strategy/Media Engagement reviewed by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	No	Good Governance and Public Participation	Communication Strategy	Effective public awareness on municipal business	GP01	1044098 allocated for TL054 to TL056		0			Number of communication Strategy/Media Engagement reviewed by end June 2023	Reason for adjustments: Baseline updated	Annually	1	Number	Stand-Alone	1	1	1	1	0	1	0	1	0	0	R	[CS004] Manager: Public Participation: The communication strategy review process took longer than expected due to challenges and delays in engaging the local municipalities for their input on the strategy. (June 2023)	[CS004] Manager: Public Participation: The communication strategy review process will be finalized in the financial year which will then allow for its adoption. (June 2023)	1	1	0	R
TL55	CS005 - TL055	Senior Manager: Community Services	Community Services	Number of external newsletters prepared by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	No	Good Governance and Public Participation	Effective public awareness on municipal business through information dissemination	Effective public awareness on municipal business	GP01	1044098 allocated for TL054 to TL056		0			External newsletters prepared by end June 2023	Reason for adjustments: Baseline updated	Bi-Annually	2	Number	Last Value	2	2	2	2	2	2	0	2	0	0	G			2	2	2	G
TL56	CS006 - TL056	Senior Manager: Community Services	Community Services	Number of internal newsletters prepared by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	No	Good Governance and Public Participation	Effective public awareness on municipal business through information dissemination	Effective public awareness on municipal business	GP01	1044098 allocated for TL054 to TL056		0			Internal newsletters prepared by end June 2023	Reason for adjustments Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	0	0	G			4	4	4	G
TL57	CS013 - TL057	Senior Manager: Community Services	Community Services	Number of Annual review & adoption of gender plan by deadline	Number	To improve the quality of life within the district	No	Good Governance and Public Participation	Gender plan	To conscientise society about the impact of patriichal policies	GP02	0		0			Annual review and adoption of gender plan by end March 2023	Reason for adjustments Baseline updated	Bi-Annually	2	Number	Carry Over	1	2	2	2	2	0	0	0	0	N/A				2	2	2	G
TL58	CS016 - TL058	Senior Manager: Community Services	Community Services	Number of District Task Teams meetings held by deadline	Number	To improve the quality of life within the district	No	Good Governance and Public Participation	Operation Sukuma Sakhe	Implementation of Operation Sukuma Sakhe	GP02	0		0			District Task Teams meetings held by end June 2023	Reason for adjustments Baseline updated	Quarterly	12	Number	Last Value	12	12	12	12	12	12	0	12	12	G			12	12	13	G
TL59	MM001 - TL059	Municipal Manager	Office of the Municipal Manager	Percentage of senior manager's performance agreements with OSS	Percent	To improve the quality of life within the district	No	Good Governance and Public Participation	Operational plan integrated into senior manager agreement	(Unspecified)	GP02	0		0			Senior manager's performance agreements with OSS indicators and target by end	Reason for adjustments Baseline updated	Annually	100.00%	Percent	Stand-Alone	1	1	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	N/A			100.00%	100.00%	100.00%	G
TL60	CS023 - TL060	Senior Manager: Community Services	Community Services	Number of heritage events held by deadline	Number	To preserve our History and heritage	No	Good Governance and Public Participation	Heritage events	To promote Arts & Culture, Tourism and social cohesion nation building	GP01	1920000	1184515	0			Number of heritage events held by deadline	Reason for adjustments Baseline updated One Heritage event was held in January 2023 by Depart of Arts & Culture and the district was not part of it Therefore, target reduced	Quarterly	3	Number	Last Value	3	3	9	3	9	9	1	8	9	G2	[CS023] Manager: Sports, Art and Culture Maphumulo Freedom Day Community Dialogue is part of Heritage, since some people have acquired their freedom not so long and they need to protect and take care of it. Freedom is their precious Human Right enlisted in the democratic constitution of SA. (April 2023) [CS023] Manager: Sports, Art and Culture Target exceed due to partnership we have had with Department of Social Development to conduct Boys Camp that intend discussing Circumcision and Other Cultural Matters. (June 2023)	[CS023] Manager: Sports, Art and Culture: Tragert will be achieved in June 2023. (April 2023)	9	8	9	G2
TL61	CS024 - TL061	Senior Manager: Community Services	Community Services	Number of submission on Annual report to AG & Council by deadline	Number	Compliance and good Governance	No	Good Governance and Public Participation	Submission of an Annual Report	To ensure quality, reliable financial statements and management information	GP04	10000		0			Submission of Annual report to AG & Council by 31 March 2023	Reason for adjustments Baseline updated	Bi-Annually	1	Number	Last Value	3	3	3	3	3	0	0	0	0	N/A			2	3	3	G
TL62	MM002 - TL062	Municipal Manager	Office of the Municipal Manager	Number of Oversight reports adopted by deadline	Number	Compliance and good Governance	No	Good Governance and Public Participation	Annual Report/ oversight report	(Unspecified)	GP04	0		0			Oversight report adopted by 31 March 2023	Reason for adjustments: Baseline updated	Annually	1	Number	Stand-Alone	1	1	1	1	1	0	0	0	0	N/A			1	1	1	G
TL63	EI4STL063	Chief Executive Officer	Enterprise Hambe	Number of reports on the status of Enterprise iLembe to the Municipal	Number	Compliance and good Governance	No	Good Governance and Public Participation	Monitoring of the Entity	(Unspecified)	GP06	0		0			By end June 2023	Reason for adjustments Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	4	G			4	4	4	G
TL64	MM003 - TL064	Municipal Manager	Office of the Municipal Manager	Number of reports submitted to Audit committee by deadline	Number	To provide independent, objective assurance and consulting services designed to	No	Good Governance and Public Participation	Internal Audit Reporting to Audit Committee	(Unspecified)	GP05	0		0			reports submitted to Audit committee by end June 2023	Reason for adjustments Baseline updated	Quarterly	4	Number	Last Value	6	3	4	4	4	4	0	4	4	G			4	4	4	G

Ref	IDP Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Quarter ending June 2023						Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL65	MM004-TL065	Municipal Manager	Office of the Municipal Manager	Number of Internal Audit Assignments conducted by deadline	Number	To provide independent, objective assurance and consulting services	No	Good Governance and Public Participation	Implementation of Internal Audit Plan	[Unspecified]	GP05	0		0			Internal Audit Assignments conducted by end 30 June 2023	Reason for adjustments: Baseline updated	Quarterly	16	Number	Last Value	16	16	16	16	16	16	0	16		16	G			16	16	16	G
TL66	MM005-TL066	Municipal Manager	Office of the Municipal Manager	Number of internal audit plans developed and submitted to the Audit committee for approval by June 2022	Number	To provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations	No	Good Governance and Public Participation	Internal audit plan	[Unspecified]	GP05	0		0			2023/2024 internal audit plan developed and submitted to the Audit committee for approval by June 2023	Reason for adjustments: Baseline updated	Annually	0	Number	Stand Alone	1	0	1	1	0	1	0	1	2023/24 internal audit plan developed and submitted to the Audit committee for approval by June 2023	0	R	[MM005] Manager Internal Audit 2023/2024 draft internal audit plan was developed and tabled before MANCO for inputs and consideration The MANCO meeting took place on the 19 June 2023 Audit committee meeting scheduled to take place on the 29th of June was postponed to 17th of July 2023 (June 2023)	[MM005] Manager Internal Audit 2023/2024 Draft Internal Audit Plan to be submitted in the next audit committee meeting that will take place on the 17th of July 2023 (June 2023)	1	1	0	R
TL67	MM006-TL067	Municipal Manager	Office of the Municipal Manager	Number of internal audit charter submitted to Audit Committe for approval by deadline	Number	To provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations	No	Good Governance and Public Participation	Internal audit charter	[Unspecified]	GP05	0		0			Internal audit charter submitted to Audit Committee for approval by June 2023	Reason for adjustments Baseline updated Remove the word 'reviewed and'	Annually	0	Number	Stand-Alone	1	0	1	1	0	1	0	1	Internal audit charter submitted to Audit Committee for approval by June 2023	0	R	[MM006] Manager Internal Audit 2023/2024 draft Internal audit Charter was reviewed and tabled before MANCO for inputs and consideration The MANCO meeting took place on the 19 June 2023 Audit committee meeting scheduled to take place on the 29th of June was postponed to 17th of July 2023 Audit committee meeting scheduled to take place on the 29th of June 2023 as per Audit committee calenda was postpone (June 2023)	[MM006] Manager Internal Audit Internal Audit Charter will be submitted to audit committee for approval in the next audit committee meeting scheduled to take place on the 17th of July 2023 (June 2023)	1	1	0	R
TL69	MM008-TL069	Municipal Manager	Office of the Municipal Manager	Number of risk registers updated by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	No	Good Governance and Public Participation	Monitoring performance of effective enterprise risk management	[Unspecified]	GP06	0		0			Risk registers updated by 30 June 2023	Reason for adjustments Baseline updated	Annually	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
TL70	MM009-TL070	Municipal Manager	Office of the Municipal Manager	Number of ethics/Risk Committee meetings held by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk	No	Good Governance and Public Participation	Monitoring performance of effective enterprise risk management	[Unspecified]	GP06	0		0			Ethics/Risk Commitee meetings held by 30 June 2023	Reason for adjustments: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	5	4	0	4		5	G2	[MM009] Manager Enterprise Risk Management Target exceeded due to special meeting held on June 13.2023 (June 2023)		4	4	5	G2
TL71	MM010-TL071	Municipal Manager	Office of the Municipal Manager	Number of Risk assessment process for the 2023/2024 finalised by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk	No	Good Governance and Public Participation	Risk management	[Unspecified]	GP06	0		0			Risk assessment process for the 2023/2024 finalised by end June 2023	Reason for adjustments: Baseline updated	Annually	1	Number	Stand Alone	1	1	1	1	1	1	0	1	Risk assessment for 2023/2024 & updated risk register finalised from process	1	G			1	1	1	G
TL72	MM011-TL072	Municipal Manager	Office of the Municipal Manager	Number of 2022/2023 Enterprise Risk Management Register submitted to Exco for approval by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	No	Good Governance and Public Participation	Enterprise Risk Management Register	[Unspecified]	GP06	0		0			2022/2023 Enterprise Risk Management Register submitted to Exco for approval by end Sept 2022	Reason for adjustments Baseline updated	Annually	1	Number	Stand Alone	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G
TL73	MM012-TL073	Municipal Manager	Office of the Municipal Manager	Number of Reviewed Enterprise Risk	Number	To implement and maintain compliant, effective and	No	Good Governance and Public	Enterprise Risk Management Policy and	[Unspecified]	GP06	0		0			Reviewed Enterprise Risk Management Framework	Reason for adjustments Baseline updated	Annually	1	Number	Stand Alone	1	1	1	1	1	1	0	1	Reviewed Risk Mngt Framework and Strategy	1	G			1	1	1	G
TL74	MM013-TL074	Municipal Manager	Office of the Municipal Manager	Number of Enterprise Risk Management workshops	Number	To implement and maintain compliant, effective and efficient	No	Good Governance and Public Participation	Conduct awareness on ERM processes and policies	[Unspecified]	GP06	0		0			Enterprise Risk Management workshops held by 30 June 2023	Reason for adjustments: Baseline updated	Bi-Annually	2	Number	Last Value	2	2	2	2	2	2	0	2		2	G			2	2	2	G
TL75	MM014-TL075	Municipal Manager	Office of the Municipal Manager	Number of Reviewed Anti Fraud and Corruption Strategy & Policy by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	No	Good Governance and Public Participation	Anti Fraud and Corruption Strategy & Policy	[Unspecified]	GP06	0		0			Reviewed Anti-Fraud and Corruption Strategy & Policy by end June 2023	Reason for adjustments Baseline updated	Annually	1	Number	Stand-Alone	1	1	1	1	1	1	0	1	Reviewed Anti-Fraud and Corruption Strategy & Policy	1	G			1	1	1	G
TL76	MM015 TL076	Municipal Manager	Office of the Municipal Manager	Number of reports on implementation of the Business Continuity plan by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	No	Good Governance and Public Participation	Business Continuity Plan	[Unspecified]	GP06	0		0			Reports on implementation of the Business Continuity plan by 30 June 2023	Reason for adjustments Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
TL77	MM016-TL077	Municipal Manager	Office of the Municipal Manager	Number of Workshop and testing of the Business Continuity	Number	To implement and maintain compliant, effective and efficient enterprise	No	Good Governance and Public Participation	Business Continuity Plan	[Unspecified]	GP06	0		0			Conduct workshop and Testing by 30 June 2023	Reason for adjustments Baseline updated	Annually	1	Number	Stand-Alone	2	2	1	1	2	1	0	2	Conduct workshop and testing	2	G	[MM016] Manager Enterprise Risk Management Achieved by means of assistance by Vuthela Project (June 2023)		2	2	2	G

Ref	Indicator Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL78	MM01-TL078	Municipal Manager	Office of the Municipal Manager	Number of Reviewed Business Continuity plan by deadline	Number	To implement and maintain compliant, effective and efficient enterprise	No	Good Governance and Public Participation	Business Continuity Plan	[Unspecified]	GP06	0		0			Reviewed Business Continuity plan by 30 June 2023	Reason for adjustments Baseline updated	Annually	0	Number	Stand Alone	1	0	1	1	1	1	0	1	Reviewed Business Continuity plan	1	G	[MM017] Manager Enterprise Risk Management Achieved by means of assistance by Vulhela project (June 2023)		1	1	1	G
TL79	CS020-TL079	Senior Manager Community Services	Community Services	Number of Draft District Youth strategy developed by deadline	Number	To improve the quality of life within the district	No	Good Governance and Public Participation	Implementation of Youth development strategy	To harness the potential of young people to enable them to play a meaningful role in society	GP02	0		0			Develop Draft District youth strategy by end June 2023	Reason for adjustments Baseline updated Target reviewed as input from local municipalities and other stakeholders delayed processes	Annually	0	Number	Stand-Alone	1	0	1	1	1	1	0	1	Develop Draft District Youth strategy	1	G			1	1	1	G
TL80	CS022-TL080	Senior Manager Community Services	Community Services	Number of sporting events participated /hosted by deadline	Number	To improve the quality of life within the district	No	Good Governance and Public Participation	Sports event	To harness the potential of young people to enable them to play a meaningful role in society	GP02	1306000	1200260	0			Sporting events participated/hosted by end June 2023	Reason for adjustments Baseline updated Targets adjusted to be in line with progress to date	Quarterly	12	Number	Last Value	12	12	8	19	19	8	11	19	19	G			8	19	19	G
TL81	MM018-TL081	Municipal Manager	Office of the Municipal Manager	Number of Reviewed Performance Management	Number	To ensure effective Performance Management	No	Good Governance and Public Participation	Performance Management Framework	[Unspecified]	GP07	0		0			Reviewed Performance Management Framework by end June 2023	Reason for adjustments Baseline updated	Annually	1	Number	Stand-Alone	1	1	1	1	1	1	0	1	Reviewed Performance Management Framework	1	G	[MM018] Manager Performance Management System Approved on the 30th May 2023 (June 2023)		1	1	1	G
TL82	MM019-TL082	Manager Performance Management System	Office of the Municipal Manager	Number of Annual Municipal Performance Report prepared	Number	To ensure effective Performance Management	No	Good Governance and Public Participation	Annual Municipal Performance Report	[Unspecified]	GP07	0		0			AMPR submitted to AG by 31 August 2022	Reason for adjustments Baseline updated	Annually	1	Number	Stand-Alone	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G
TL83	MM020-TL083	Municipal Manager	Office of the Municipal Manager	Number of performance reviews of Senior Managers & MM conducted by deadline	Number	To ensure effective Performance Management	No	Good Governance and Public Participation	Performance Reviews	[Unspecified]	GP07	0		0			Performance reviews of Senior Managers & MM conducted by end June 2023	Reason for adjustments Baseline updated	Quarterly	3	Number	Last Value	4	3	4	4	1	4	0	4		0	R			4	4	2	R
TL84	MM021-TL084	Municipal Manager	Office of the Municipal Manager	Number of activities conducted to ensure IDP Review by deadline	Number	To facilitate co-ordinated planning and development	No	Cross Cutting	Annual IDP Review	[Unspecified]	CC01	0		0			Activities - Start IDP Process, Adopted IDP process plan and Adopt Draft IDP -	Reason for adjustments Baseline updated	Quarterly	3	Number	Last Value	3	3	3	3	3	0	0	0		0	N/A			3	3	3	G
TL85	MM022-TL085	Municipal Manager	Office of the Municipal Manager	Number of planning and infrastructure alignments meeting held by	Number	To facilitate co-ordinated planning and development	No	Cross Cutting	Infrastructure Planning	[Unspecified]	CC01	0		0			planning and infrastructure alignments meeting by 30 June 2023	Reason for adjustments Baseline updated	Quarterly	6	Number	Last Value	6	6	6	6	6	6	0	6		6	G	[MM022] Manager IDP & Planning The last two meeting were held on 02 June 2023 and 23 June 2023 (June 2023)	[MM022] Manager IDP & Planning N/A (June 2023)	6	6	6	G
TL86	MM023-TL086	Municipal Manager	Office of the Municipal Manager	Number of reports on implementation of DPSS by deadline	Number	To facilitate co-ordinated planning and development	No	Cross Cutting	Development Planning Shared Services	[Unspecified]	CC01	0		0			Reports on implementation of DPSS by 30 June 2023	Reason for adjustments Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	3	0	4	Reports on implementation of DPSS by 30 June 2023	4	G	[MM023] Manager IDP & Planning 1 The report ending 30 June 2023 was prepared and submitted to COGTA 2 The Special DDM Technical Hub meeting was held on 05 May 2023 to discuss and resolve the 2018-2023 Business Plan and staffing contractual matters (June 2023)	[MM023] Manager IDP & Planning N/A (June 2023)	4	4	4	G
TL87	MM024-TL087	Municipal Manager	Office of the Municipal Manager	Number of District Development Model/One plan adopted by Exco/Council by deadline	Number	To facilitate co-ordinated planning and development	No	Cross Cutting	District Growth and Development Plan	[Unspecified]	CC01	0		0			District Development Model/One plan adopted by Exco/Council June 2023	Reason for adjustments Baseline updated	Annually	0	Number	Stand Alone	1	0	1	1	1	1	0	1	District Development Model/One plan adopted by Exco/Council	1	G	[MM024] Manager IDP & Planning The Political Hub adopted the District Development Model on 14 December 2022 This follows the requirements of Circular 10 of 2022 In addition, it must be noted that the KPI was incorrectly stated for the plan to be adopted by EXCO/Council and should have reflected the Political Hub as the DDM approval structure for the adoption of the DDM One Plan. (June 2023)	[MM024] Manager IDP & Planning N/A (June 2023)	1	1	1	G
TL88	MM025-TL088	Municipal Manager	Office of the Municipal Manager	Number of reports on implementation of Spatial development framework by deadline	Number	To facilitate co-ordinated planning and development	No	Cross Cutting	Special development framework	[Unspecified]	CC01	0		0			reports on implementation of Spatial development framework by 30 June 2023	Reason for adjustments Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	1	0	4		4	G	[MM025] Manager IDP & Planning The SDF quarterly report has been prepared and submitted to the COGTA - KZN (June 2023)	[MM025] Manager IDP & Planning N/A (June 2023)	4	4	4	G

Ref	Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL89	MM02 6 TL089	Municipal Manager	Office of the Municipal Manager	Number of potential sites identified for regional landfill site by deadline	Number	To encourage sustainable use of natural resources	No	Cross Cutting	Regional landfill site as per Integrated Waste Management Plan	[Unspecified]	CC02	0		0			Potential sites identified for regional landfill site by 30 June 2023	Baseline updated Target reviewed to be in line with progress to date, as scoping report is already done	Annually	0	Number	Stand-Alone	New Indicator	New Indicator	1	2	0	1	1	2	0	R	[MM026] Manager IDP & Planning Target was not met The complete identification of the two sites was not finalised before 30 June 2023 Whilst several sites have been identified, thes was still subject to reaching a consensus with the applicable landowners The identified sites were publicly and privately owned, and the preferred sites were publicly owned to minimise the financial implications Therefore some information was required from the affected Municipalities regarding ownership (between the Traditional Authority, Municipality and Provincial Government) of the properties in question This was done so that when we begin other processes, possibly at risk with	[MM026] Manager IDP & Planning The unit will arrange a meeting with the affected local Municipalities to discuss the potential sites and ownership thereof After the discussion, a way forward will be addressed as well as to which sites will commence for further investigations (June 2023)	1	1	0	R
TL90	MM02 7 TL090	Municipal Manager	Office of the Municipal Manager	Number of uMvoti Catchment Plan adopted by deadline	Number	To encourage sustainable use of natural resources	No	Cross Cutting	uMvoti Catchment Plan	(Unspecified)	CC02	0		0			Adopted uMvoti Catchment Plan by 30 June 2023	Reason for adjustments Baseline updated	Annually	0	Number	Stand Alone	New Indicator	New Indicator	1	1	0	1	0	1	0	R	[MM027] Manager IDP & Planning: The uMvoti Catchment study was not independently pursued by the Planning and IDP business unit in the 2022/2023 financial year The project activities to ensure the plan is developed were encapsulated in the feasibility study for the new Waste Water Treatment works (WWTW) spearheaded by the Technical Services Department It must be noted that the terms of reference for the original scope of works for SMEC consisted of the design of a new 18Ml/d wastewater treatment works (WWTW) in KwaDukuza; however, during the inception stage, it was revealed that Royal Haskoning DHV (RHDHV) had already been engaged to	[MM027] Manager IDP & Planning The project activities were not concluded in the 2022/2023 financial year However, project progress is well underway and the last PSC meeting was held on 03 July 2023 (June 2023)	1	1	0	R
TL91	MM02 8 TL091	Municipal Manager	Office of the Municipal Manager	Number of quarterly workshops held on Greening education and awareness	Number	To develop programs responding to impacts of climate change	No	Cross Cutting	Implementation of Climate Change Strategy	(Unspecified)	CC03	0		0			quarterly workshops held on Greening education and awareness	Baseline updated	Annually	0	Number	Last Value	New Indicator	New Indicator	4	4	4	4	0	4	4	G	[MM028] Manager: IDP & Planning The last quarterly workshops were held on 26 May 2023 and 09 June 2023 The intention was to create community awareness about the health consequences of illegal dumping and awareness among Municipal officials to deal with illegal dumping issues in their respective areas Activities included education, awareness, and clean-up campaigns in partnership with Ndwedwe LM and aQuelle as a private partner that also sponsored refreshments, PPE and refuse waste collection (June 2023)	[MM028] Manager: IDP & Planning: N/A (June 2023)	4	4	4	G
TL92	CS028 TL092	Senior Manager Community Services	Community Services	Number of samples taken and analysed by deadline	Number	To ensure a sustainable and healthy environment	No	Cross Cutting	Water Quality Monitoring and Analysis	To monitor quality of potable water in the District (domestic samples)	CC04	120000		0			Samples taken and analyzed by end June 2023	Reason for adjustments Baseline updated	Quarterly	247	Number	Last Value	240	247	240	240	358	240	0	240	256	G2	[CS028] Manager Environmental Health re sampling was conducted due to failures of initial water samples that were tested this is conducted to verify and ensure that corrective measures were undertaken by water service Authority (June 2023)		240	240	256	G2
TL93	CS029 TL093	Senior Manager: Community Services	Community Services	Percentage of all food handling license applications	Percent	To ensure a sustainable and healthy environment	No	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational	CC04	R120000 Allocated TL092 TL095		0			Food handling license applications received and processed	Reason for adjustments Baseline updated	Quarterly	100.00%	Percent	Stand Alone	1	1	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	100.00%	G			100.00%	100.00%	100.00%	G
TL94	CS030 TL094	Senior Manager Community Services	Community Services	Number of premises inspected to reduce food borne illness by deadline	Number	To ensure a sustainable and healthy environment	No	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational health & environmental health services	CC04	R120000 Allocated TL092 TL095		0			Premises inspected to reduce food borne illness by end June 2023	Reason for adjustments Baseline updated	Quarterly	1 015	Number	Last Value	890	1015	900	900	961	900	0	900	961	G2	[CS030] Manager Environmental Health follow up inspections were conducted during enforcement Blitz on non-complying food premises (June 2023)		900	900	961	G2
TL95	CS031 TL095	Senior Manager Community Services	Community Services	Percentage of reported notifiable diseases investigated by deadline	Percent	To ensure a sustainable and healthy environment	No	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational health & environmental	CC04	R120000 Allocated TL092 TL095		0			Reported notifiable diseases investigated by end June 2023	Reason for adjustments Baseline updated	Quarterly	100.00%	Percent	Stand Alone	1	1	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	100.00%	G			100.00%	100.00%	100.00%	G

Ref	Previous Ref / Indicator No.	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL96	CS032-TL096	Senior Manager Community Services	Community Services	Number of health education awareness campaigns held by deadline	Number	To ensure a sustainable and healthy environment	No	Cross Cutting	Municipal Health Services	To ensure that statutory requirements controlling occupational health & environmental	CC04	120000	107350	0			Health education awareness campaigns held by end June 2023	Reason for adjustments: Baseline updated Targets adjusted to be in line with	Quarterly	120	Number	Last Value	120	120	50	50	59	50	0	50		59	G2	[CS032] Manager Environmental Health diseases outbreak lead to extra awareness being conducted (June 2023)		50	50	59	G2
TL97	CS033-TL097	Senior Manager Community Services	Community Services	Number of consolidated incidents/disasters reports submitted to the Provincial disaster management centre by deadline	Number	To ensure prevention and mitigation against disasters	No	Cross Cutting	Emergency Relief Aid	To ensure rapid and effective response in assisting vulnerable communities during incidents and disasters	CC05	800000	650000	0			monthly reports submitted to the Provincial disaster management centre by the 8th of each month	Reason for adjustments: Reason for adjustments: Baseline updated Budget adjusted	Quarterly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G	[CS033] Manager Disaster Management On track (April 2023) [CS033] Manager Disaster Management On track (May 2023) [CS033] Manager Disaster Management Target achieved (June 2023)	[CS033] Manager Disaster Management N/A (April 2023) [CS033] Manager Disaster Management N/A (May 2023) [CS033] Manager Disaster Management N/A (June 2023)	12	12	12	G
TL98	CS037-TL098	Senior Manager Community Services	Community Services	Number of reviewed District Disaster Management Plan by deadline	Number	To ensure prevention and mitigation against disasters	No	Cross Cutting	Disaster Risk Reduction	To ensure that there is effective implementation of disaster risk reduction programmes aimed at	CC05	65000	0				Reviewed District Disaster Management Plan by end June 2023	Reason for adjustments: Baseline updated	Annually	1	Number	Stand-Alone	1	1	1	1	1	1	0	1	Reviewed Disaster Management plan in place	1	G	[CS037] Manager Disaster Management Target achieved in the form of reviewed Disaster Management Plan. (June 2023)	[CS037] Manager Disaster Management N/A (June 2023)	1	1	1	G
TL99	CS039-TL099	Senior Manager Community Services	Community Services	Number of workshops conducted to rollout the Disaster Management Volunteer Strategy/framework by deadline	Number	To ensure prevention and mitigation against disasters	No	Cross Cutting	Disaster Management Volunteer Strategy	To ensure that there is effective implementation of disaster risk reduction programmes aimed at prevention and mitigation against identified risks	CC05	0	0				Workshops conducted to rollout the Disaster Management Volunteer Strategy/framework by end June 2023	Reason for adjustments: Baseline updated	Quarterly	5	Number	Last Value	4	5	4	4	4	4	0	4		4	G	[CS039] Manager Disaster Management Annual target achieved (June 2023)	[CS039] Manager Disaster Management N/A (June 2023)	4	4	4	G
TL100	CS035-TL100	Senior Manager Community Services	Community Services	Number of capacity building programmes conducted by deadline	Number	To ensure prevention and mitigation against disasters	No	Cross Cutting	Capacity Building programmes	To create resilient and pro-active communities by rolling out the district disaster risk management capacity building programme	CC05	0	0				Capacity building programmes conducted by end June 2023	Reason for adjustments Baseline updated	Quarterly	15	Number	Last Value	12	15	15	15	17	15	0	15		17	G2	[CS035] Manager Disaster Management On Track (April 2023) [CS035] Manager Disaster Management On track (May 2023) [CS035] Manager Disaster Management Annual targets were over achieved. The reason for over achieving the target was that based on the increase in the number of weather related incidents in Local Municipalities, there were additional planned training programmes to ensure that Disaster Management Capacity is enhanced within the District and it's family of municipalities (June 2023)	[CS035] Manager Disaster Management N/A (April 2023) [CS035] Manager Disaster Management N/A (May 2023) [CS035] Manager Disaster Management N/A (June 2023)	15	15	17	G2
TL101	CS034-TL101	Senior Manager Community Services	Community Services	Number of Community Awareness campaigns held by deadline	Number	To ensure prevention and mitigation against disasters	No	Cross Cutting	Awareness Campaigns	To ensure that disaster stricken communities exercise risk avoidance behaviour during all incidents & disasters	CC05	0	149913	0			Community Awareness campaigns held by end June 2023	Reason for adjustments: Baseline updated Budget adjusted Additional budget is allocated to procure awareness brochures which is aligned to new council	Quarterly	24	Number	Last Value	24	24	24	24	24	24	0	24		24	G	[CS034] Manager Disaster Management On Track (April 2023) [CS034] Manager Disaster Management On track (May 2023) [CS034] Manager Disaster Management Annual targets achieved (June 2023)	[CS034] Manager Disaster Management N/A (April 2023) [CS034] Manager Disaster Management N/A (May 2023) [CS034] Manager Disaster Management N/A (June 2023)	24	24	24	G
TL102	CS036-TL102	Senior Manager Community Services	Community Services	Number of Disaster Management Advisory Forum Meetings	Number	To ensure prevention and mitigation against disasters	No	Cross Cutting	District Disaster Management Advisory Forums	To ensure that there is effective implementation of disaster risk reduction	CC05	0	0				Disaster Management Advisory Forum Meetings held by end June	Reason for adjustments: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	[CS036] Manager Disaster Management On Track (June 2023)	[CS036] Manager Disaster Management N/A (June 2023)	4	4	4	G
TL103	MM029-TL103	Municipal Manager	Office of the Municipal Manager	Percentage of legal cases resolved by deadline (excluding cases which become the subject of contested litigation)	Percent	To provide legal advice and ensure resolution of legal matters against and/or on behalf of the municipality	No	Municipal Institutional Development and Transformation	legal matters	(Unspecified)	MT106	R1 315 260 (Budget allocated to MM029, 030 & 031)		0			legal cases resolved by 30 June 2023	Baseline updated KPI included in Top Layer.	Monthly	57	Number	Last Value	1	0.75	100	100	100	100	0	100		100	G	[MM029] Legal Advisor no cases were resolved or finalized this month. (May 2023) [MM029] Legal Advisor 5 cases have been resolved for the year however there were no cases in June (June 2023)	[MM029] Legal Advisor no cases were resolved or finalized this month (May 2023)	100	100	100	G
TL104	MM030-TL104	Municipal Manager	Office of the Municipal Manager	Number of days taken for drawing up and vetting service level agreements and contract legal documents by deadline	Number	To provide legal advice and ensure resolution of legal matters against and/or on behalf of the municipality	No	Municipal Institutional Development and Transformation	legal matters	(Unspecified)	MT106	Refer to MM029 for budget allocation		0			Number of days taken for drawing up and vetting service level agreements and contract legal documents by 30 June 2023	Baseline updated KPI and target adjusted to be more specific and realistic	Monthly	0	Number	Reverse Last Value	10	0	10	10	4	10	0	10		4	R	[MM030] Legal Advisor not applicable (May 2023) [MM030] Legal Advisor There were no documents to be vetted in June Target achieved in April 2023, the reason for variance is that there was a prompt response to the matters of vetting (June 2023)	[MM030] Legal Advisor not applicable (May 2023)	10	10	4	R
TL105	CS009-TL105	Senior Manager Community Services	Community Services	Number of IDP/Budget meetings held by	Number	To strengthen partnership with various	No	Good Governance and Public	Public Participation strategy implementation	Effective public awareness on municipal business	GP01	R149 300	R278,076	0			IDP/Budget meetings held by end June 2023	Reason for adjustments Baseline updated KPI	Monthly	7	Number	Last Value	7	7	10	10	10	10	0	10		10	G			10	10	10	G

Ref	Ref / Indicator	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																											Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
TL106	CS010-TL106	Senior Manager Corporate Services	Community Services	Number of Public Participation strategy developed and adopted by deadline	Number	To strengthen partnership with various stakeholders through communicating municipal business	No	Good Governance and Public Participation	Public Participation strategy	Effective public awareness on municipal business	GP01	0		0			Public Participation strategy developed and adopted by 30 June 2023 (was September 2022)	Reason for adjustments Baseline updated Q1 target date corrected Target reviewed as the strategy has been developed but was not adopted due to council activities that were time consuming	Annually	0	Number	Stand-Alone	New Indicator	New Indicator	1	1	0	1	0	R	[CS010] Manager Public Participation The Public Participation strategy review process took longer than expected due to challenges and delays in engaging the local municipalities for their input on the strategy (June 2023)	[CS010] Manager Public Participation The Public Participation strategy review process will be finalized in the financial year which will then allow for its adoption (June 2023)	1	1	0	R
TL107	CPS001-TL108	Senior Manager Corporate Services	Corporate Services	Number of reviewed/developed policies submitted to Exco and Council by deadline	Number	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Human Resources Management Excellence	To align Human Resource Policies with legislation and institutional transformation and development priorities	MTI01	0		0			Policies reviewed/developed and submitted to Exco & Council by end June 2023	Reason for adjustments: Baseline updated	Annually	0	Number	Last Value	2	0	4	4	0	4	0	4	reviewed policies submitted to Exco & Council	0	R	[CPS001] Manager: Human Resources CDraft Policies were developed and consulted with all stakeholders Council requested a detailed workshop before adopting The scheduled sessions were postponed due to other Council pressing issues (June 2023)	[CPS001] Manager Human Resources Rescheduling of Council workshop and Council meeting to adopt policies to be done within the 1st quarter of 2023/2024 (June 2023)	4	4	0	R
TL108	CPS009-TL109	Senior Manager Corporate Services	Corporate Services	Number District Human Resource Plan reviewed and adopted by deadline	Number	To establish an efficient and productive administration	No	Municipal Institutional Development and Transformation	Recruitment	To improve the capacity of staff to deliver services	MTI01	0		0			District Human Resource Development Strategy/Plan reviewed and adopted by end June 2023	Reason for adjustments Baseline updated KPI included in Top Layer	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	0	R	[CPS009] Manager: Human Resources Draft District Human Resource Development Strategy/Plan reviewed and consulted with all stakeholders Council requested a detailed workshop before adopting The scheduled sessions were postponed due to other Council pressing issues (June 2023)	[CPS009] Manager Human Resources Rescheduling of Council workshop and Council meeting to adopt policies to be done within the 1st quarter of 2023/2024 (June 2023)	1	1	0	R
TL109	EI01-TL109	Chief Executive Officer	Enterprise iLembe	Number of quarterly meetings held by deadline	Number	To improve co-ordination of LED in the District	No	Local Economic Development	LED Forum	Co-ordination of LED in the District	LED01	0		0			Quarterly meetings held by deadline by end June 2023	Reason for adjustments Baseline updated as per 2020/2021 Annual actual as it was not measured in 2021/2022 Responsible owner changed	Quarterly	0	Number	Last Value	New Indicator	New Indicator	4	4	3	4	0	4	3	R	[EI01] Executive Manager Projects The 4th quarter meeting did not quorate (June 2023)	[EI01] Executive Manager Projects: The meeting will be rescheduled in July 2023 (June 2023)	4	4	3	R
TL110	EI02-TL110	Chief Executive Officer	Enterprise iLembe	Number of quarterly meetings held by deadline	Number	To improve co-ordination of LED in the District	No	Local Economic Development	Economic Cluster	Co-ordination of LED in the District	LED03	0		0			Quarterly meetings held by deadline by end June 2023	Reason for adjustments: Baseline updated as per 2020/2021	Quarterly	4	Number	Last Value	New Indicator	New Indicator	4	4	4	4	0	4	4	G			4	4	4	G
TL111	EI03-TL111	Chief Executive Officer	Enterprise iLembe	Number of District Tourism Forum meetings held by deadline	Number	To capitalise on tourism potential of the district	No	Local Economic Development	Tourism Marketing & Development	To increase visitor numbers to the iLembe District	LED03	70000	0	0			District Tourism Forum meetings held by end June 2023	Reason for adjustments Baseline updated, Job title changed	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	4	G			4	4	4	G
TL112	EI12-TL112	Chief Executive Officer	Enterprise iLembe	Number of one stop shop established by deadline	Number	To increase investment within the District	Yes	Local Economic Development	One stop Shop	To attract interest in investment in the iLembe District	LED04	0		0					Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	1	1	0	1	1	G			1	1	1	G
TL113	EI23-TL113	Chief Executive Officer	Enterprise iLembe	Number of LED projects implemented (Business incubator) by deadline	Number	To ensure job creation	No	Local Economic Development	LED projects implemented	To support SMMEs in the iLembe District for job creation and business retension and expansion	LED05	1339673		0			project implemented by end June 2023	Baseline updated Budget adjusted Job title changed (Enterprise SDBIP target is	Annually	2	Number	Last Value	New Indicator	New Indicator	1	1	1	1	-1	0	0	N/A			1	1	1	G
TL114	MM03-TL114	Municipal Manager	Office of the Municipal Manager	Number of performance reviews between Manager's under office	Number	To ensure effective Performance Management	No	Good Governance and Public Participation	Performance Reviews	[Unspecified]	GP07	0		0			performance reviews between Manager's under office of the Municipal	KPI included in Top Layer	Quarterly	4	Number	Last Value	New Indicator	New Indicator	2	2	0	2	0	2	0	R			2	2	0	R
TL115	MM04-TL115	Municipal Manager	Office of the Municipal Manager	Number of adopted IDP by deadline	Number	To facilitate co-ordinated planning and development	No	Cross Cutting	Annual IDP Review	[Unspecified]	GP07	0		0			2023/2024 Final IDP adopted by 31 May 2023	Reason for adjustments: KPI included in Top Layer	Annually	1	Number	Last Value	1	1	1	1	1	1	0	1	1	G	[MM04-TL115] Manager: IDP & Planning The 2023/24 IDP was adopted on 30 May 2023 (June 2023)	[MM04-TL115] Manager: IDP & Planning: N/A (June 2023)	1	1	1	G
TL116	TS101-TL116	Senior Manager Technical Services	Technical Services	Number of sites installed with Telemetry by deadline	Number	To ensure access to potable water for domestic consumption and support local economic	No	Basic Service Delivery and Infrastructure	Kearsney, Stanger Manor, Umvoti balancing, Highridge and Warrenton	[Unspecified]	BS01	0	2000000	0			Sites installed with Telemetry by 30 June 2023	Reason for adjustments KPI included in Top Layer	Annually	0	Number	Last Value	New Indicator	New Indicator	5	5	5	5	0	5	5	G	[TS101] Manager WSP EB. Telemetry installation on 5 sites(Balancing,Kearsney ,Stanger Manor, Warrenton, High Ridge) in KwaDukuza completed and operational (June 2023)	[TS101] Manager WSP EB Nil (June 2023)	0	5	5	G
TL117	CPS021-TL117	Senior Manager Corporate Services	Corporate Services	Number of feasibility study completed to acquire new building by deadline	Number	To ensure effective and efficient administration in compliance with legal requirements	No	Municipal Institutional Development and Transformation	New municipal buildings	To ensure a safe and healthy working environment	MTI04	7500000	20000000	0			Feasibility study done to acquire new building by 30 June 2023	Reason for adjustments KPI included in Top Layer	Annually	0	Number	Last Value	New Indicator	New Indicator	1	1	0	1	0	1	0	R	[CPS021] Manager: Support Services The exercise / project to be performed is highly specialized and technical. The procurement process of the suitable service provider was not concluded at the close of the financial year (June 2023)	[CPS021] Manager Support Services The feasibility study will be completed in the 2023/2024 financial year (June 2023)	1	1	0	R
TL118	CS022-TL118	Senior Manager Community Services	Community Services	Number of sites serviced within budget by deadline	Number	To ensure a sustainable and healthy environment	No	Cross Cutting	Vector Control	To provide and effective vector control service to the community	CC04	113994		0			Sites serviced by end June 2023	Reason for adjustments Baseline updated Targets adjusted to be in line with progress to date Top Layer 2022/2023 Adjustment	Monthly	361	Number	Last Value	350	361	350	350	384	350	0	350	384	G2	[CS027] Manager Environmental Health Target was exceeded due to request from the communities for our team to exterminate breeding sites and mosquito complaints as a result of extra rains during the quarter (June 2023)		350	350	384	G2

Ramba District Municipality

Top Layer 2021/2023 Annual Performance Report - Final AG Audited

Ref	Directorate / Ref / Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Description of Unit of Measurement	Strategic Objective	Is this KPI linked to Capital Projects?	National KPA	Municipal KPA	Pre-determined Objective	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R

Overall Summary of Results

N/A	KPI Not Yet Applicable	1
R	KPI Not Met	2
O	KPI Almost Met	1
G	KPI Met	6
G2	KPI Well Met	2
B	KPI Extremely Well Met	
	Total KPIs:	11

Report generated on 31 August 2023 at 15:01

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre determined	MSC	IDP Ref	Budget	Adjusted	1st Special Adjustment	2nd Special Adjustm	3rd Special	Annual Target						2021/2022 Original Annual Target	2021/2022 AFS/Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target		Jul-22	Aug-22	Sep-22	R			Oct-22	Nov-22	Dec-22	R			2022-2023 Annual Performance
															Budget																									Target		
D92	MM029	Office of the Municipal Manager - Legal	Legal Advisor	Percentage of legal cases resolved by deadline (excluding cases which become the subject of contested litigation)	Percent	To provide legal advice and ensure resolution of legal matters against and/or on behalf of the municipality	Percentage of lega cases resolved by deadline (excluding cases which become the subject of contested litigation) (MM029 T 103)	nicip o a e o ent orma i	Legal matters	To limit losses to the municipality - legal risk mitigation	Corporate Services: Corporate Services	MTI06	R1,315,260 (Budget allocated to CPS 23,24,25 & 26)	2 ,0	(Budget allocated to CPS 23,24,25 & 26)			legal cases resolved by 30 June 2023	Reason for adjustment: Baseline updated KPI included in Top Layer.	Monthly	75	Number	Last Value	100	95								00		G	c s e . . 2			00	00	00	G
D93	MM030	Office of the Municipal Manager - Legal	Legal Advisor	Number of days taken for drawing up and vetting service level agreements and contract	Number	To provide legal advice and ensure resolution of legal matters against and/or on behalf of the municipality	Number of days taken for drawing up and vetting service level agreements and contract legal documents by deadline (MM030 TL104)	Muni pa Institut nal Development and Transformat n	Legal matters	To limit losses to the municipality - legal risk mitigation	Corporate Services: Corporate Services	MTI06	Refer to CPS023 for allocation	Refer to MM029 for budget allocation				Number of days taken for drawing up and vetting service level agreements and contract legal documents by 30 June 2023	Reason for adjustment: Baseline updated KPI and target adjusted to be more specific and realistic.	Monthly	0	Number	Reverse Last Value	0	0	10	30	10	20	30			B	er re u s ve in Ta lev in 0 . for e e was ma			30	30	A	B
D94	MM031	Office of the Municipal Manager - Legal	Legal Advisor	Number of days taken to respond to legal matters by deadline (formal objection/service level agreements)	Number	To provide legal advice and ensure resolution of legal matters against and/or on behalf of the municipality	Number of days taken to respond to legal matters by deadline (formal objection/service level agreements) (MM031-TL034)	Mun cipal Institu na Development and Transformat on	Legal matters	To limit losses to the municipality - legal risk mitigation	Corporate Services: Corporate Services	MTI06	Refer to CPS023 for allocation	Refer to MM029 for budget allocation				Days taken to respond legal matters by 30 June 2023	Reason for Adjustments : Baseline updated Target adjusted to be more realistic.	Monthly	0	Number	Reverse Last Value	30	0	30	30	22	0				R	o e cas ed re irs in le ce			30	30	22	B
D218	MM001	Office of the Municipal Manager - Office of the Municipal Manager	Municipal Manager	Percentage of senior manager's performance agreements with OSS indicators and targets by deadline	Percent	To improve the quality of life within the district	Percentage of senior manager's performance agreements with OSS indicators and targets by deadline (MM001-TL059)	Good Governance and Public Participation	Operational plan integrated into senior manager agreement	[Unspecified]	Office of the Municipal Manager: Office of Municipal Manager	GP02						Percentage of senior manager's performance agreements with OSS indicators and targets by end September 2022	Reason for adjustment: Baseline updated	Annually	100.00%	Percent	Stand-Alone	100%	00%								N/A			100%	100%	100%	G
D219	MM002	Office of the Municipal Manager - Office of the Municipal Manager	Municipal Manager	Number of Oversight reports adopted by deadline	Number	Compliance and good Governance	Number of Oversight reports adopted by deadline (MM002-TL062)	Good Governance and Pub c Participation	Annual Report/ oversight report	[Unspecified]	Office of the Municipal Manager: Office of Municipal Manager		0					Number of Oversight reports adopted by 31 March 2023		Annually	1	Number	Stand-Alone				1		0	0	0			N/A					G
D220	MM003	Office of the Municipal Manager - Internal Audit	Manager: Internal Audit	Number of reports submitted to Audit committee by deadline	Number	To provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations	Number of reports submitted to Audit committee by deadline (MM003-TL064)	Good Governance and Public Participation	Internal Audit Reporting to Audit Committee	[Unspecified]	Office of the Municipal Manager: Internal Audit	GP0	0	0				Reports submitted to Audit committee by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	3	Number	Last Value						0			G					4	G
D221	MM004	Office of the Municipal Manager Internal Audit	Manager Internal Audit	Number of Internal Audit Assignments conducted by deadline	Number	To provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations	Number of Internal Audit Assignments conducted by deadline (MM004-TL065)	Good Governance and Publi Participation	Implement ation of Internal Audit Plan	[Unspecified]	Office of the Municipal Manager: Internal Audit	GP0	0	0				Internal Audit Assignments conducted by 30 June 2023				Number	Last Value	16	16	16	16	16	16	0	16		G					16	16	16	G
D222	MM005	Office of the Municipal Manager Internal Audit	Manager Internal Audit	Number of internal audit plans developed and submitted to the Audit committee for approval by June 2023	Number	To provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations	Number of internal audit plans developed and submitted to the Audit committee for approval by June 2022 (MM005-TL066)	Good Governance and Publi Partic pati n	Internal audit plan	[Unspecified]	Office of the Municipal Manager Internal Audit	GP05	0					internal audit plans developed and submitted to the Audit committee for approval by 30 June 2023			0	Number	Stand-Alone	1	0	1	1	0	1	0	1	2023/24 internal audit plan develope d and submitte d to the Audit committe e for approval by June 2023	R	/2 d r c e 1 i i ee				0	G

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	An						2021-2022 Original Annual Target		2022 - Target									Original Target		
D223	MM006	Office of the Municipal Manager Internal Audit	Manager Internal Audit	Number of internal audit charter submitted to Audit Committe for approval by deadline	Number	To provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations	Number of internal audit charter submitted to Audit Committe for approval by deadline. (MM006-TL067)	Good Governance and Public Participation	Internal audit charter	[Unspecified]	Office of the Municipal Manager: Internal Audit	GP05	0						Reason for adjustment: Remove the word 'reviewed' 'and'	Annually	0	Number	Stand Alone		0		1	0		0	1						R
D225	MM008	Office of the Municipal Manager Enterprise Risk Management	Manager Enterprise Risk Management	Number of risk registers updated by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management	Number of risk registers updated by deadline (MM008-TL069)	Good Governance and Public Participation	Monitoring performance of effective enterprise risk management	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06							Reason for adjustment: Baseline updated	Annually		Number	Last Value	12	12	12	12	12	12	0	12					G					G
D226	MM009	Office of the Municipal Manager - Enterprise Risk Management	Manager: Enterprise Risk Management	Number of ethics/Risk Committee meetings held by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk	Number of ethics/Risk Committee meetings held by deadline (MM009-TL070)	Good Governance and Public Participation	Monitoring performance of effective enterprise risk management	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06	0						Reason for adjustment: Baseline updated	Quarterly		Number	Last Value	4				5		0				e to ld in June		G2				G2
D227	MM010	Office of the Municipal Manager - Enterprise Risk Management	Manager: Enterprise Risk Management	Number of Risk assessment process for the 2023/2024 finalised by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	Number of Risk assessment process for the 2023/2024 finalised by deadline (MM010-TL071)	Good Governance and Public Participation	Risk management	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06	0					Risk assessment process for the 2023/2024 finalised by 30 June 2023	Reason for adjustment: Baseline updated	Annually		Number	Stand-Alone									na o oc		G			1		1	G
D228	MM011	Office of the Municipal Manager - Enterprise Risk Management	Manager: Enterprise Risk Management	Number of 2022/2023 Enterprise Risk Management Register submitted to Exco for approval by	Number	To implement and maintain compliant, effective and efficient enterprise risk management	Number of 2022/2023 Enterprise Risk Management Register submitted to Exco for approval by deadline (MM011-TL072)	Good Governance and Public Participation	Enterprise Risk Management Register	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06	0					2022/2023 Enterprise Risk Management Register submitted to Exco for approval by 30 September 2022	Reason for adjustment: Baseline updated	Annually		Number	Stand-Alone					0		0					N/A					G
D229	MM012	Office of the Municipal Manager Enterprise Risk Management	Manager: Enterprise Risk Management	Number of Reviewed Enterprise Risk Management Framework and Strategy by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management	Number of Reviewed Enterprise Risk Management Framework and Strategy by deadline (MM012-TL073)	Good Governance and Public Participation	Enterprise Risk Management Policy and Strategy	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06	0					Reviewed Enterprise Risk Management Framework and Strategy by 30 June 2023	Reason for adjustment: Baseline updated	Annually		Number	Stand-Alone			1	1	0							G					G
D230	MM013	Office of the Municipal Manager Enterprise Risk Management	Manager: Enterprise Risk Management	Number of Enterprise Risk Management workshops held by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management	Number of Enterprise Risk Management workshops held by deadline (MM013-TL074)	Good Governance and Public Participation	Conduct awareness on ERM processes and policies to all staff and Councillors	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06	0		0			Enterprise Risk Management workshops held by 30 June 2023	Reason for adjustment: Baseline updated			Number	Last Value			2	2	2	2	0	2				G					G
D231	MM014	Office of the Municipal Manager Enterprise Risk Management	Manager: Enterprise Risk Management	Number of Reviewed Anti Fraud and Corruption Strategy & Policy by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management	Number of Reviewed Anti Fraud and Corruption Strategy & Policy by deadline (MM014-TL075)	Good Governance and Public Participation	Anti-Fraud and Corruption Strategy & Policy	[Unspecified]	O		0					Reviewed Anti-Fraud and Corruption Strategy & Policy by 30 June 2023								1	1	1	1	0	1	Reviewed Anti-Fraud and Corruption Strategy & Policy		G					G
D232	MM015	Office of the Municipal Manager Enterprise Risk Management	Manager: Enterprise Risk Management	Number of reports on implementation of the Business Continuity plan by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	Number of reports on implementation of the Business Continuity plan by deadline (MM015-TL076)	Good Governance and Public Participation	Business Continuity Plan									Reports on implementation of the Business Continuity plan by 30 June 2023								4	4	4	0	4			G					G

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for Jul 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D233	MM016	Office of the Municipal Manager - Enterprise Risk Management	Manager: Enterprise Risk Management	Number of Workshop and testing of the Business Continuity plan by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	Number of Workshop and testing of the Business Continuity plan by deadline (MM016-TL077)	Good Governance and Public Participation	Business Continuity Plan	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06	0					Workshop and testing of the Business Continuity plan by 30 June 2023	Reason for adjustment: Baseline updated	Annually	2	Number	Stand Alone	2	2	2	2	2	2	0	2	Conduct workshop and testing	2	G	Achieved by means of assistance by Vuthela Project		2	2	2	G
D234	MM017	Office of the Municipal Manager - Enterprise Risk Management	Manager: Enterprise Risk Management	Number of Reviewed Business Continuity plan by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	Number of Reviewed Business Continuity plan by deadline (MM017-TL078)	Good Governance and Public Participation	Business Continuity Plan	[Unspecified]	Office of the Municipal Manager: Enterprise Risk Management	GP06	0					Reviewed Business Continuity plan by 30 June 2023	Reason for adjustment: Basline updated	Annually	0	Number	Stand-Alone	1	0	1	1	1	1	0	1	Reviewed Business Continuity plan	1	G	Achieved by means of assistance by Vuthela project.		1	1	1	G
D235	MM018	Office of the Municipal Manager - Performance Management Systems	Manager: Performance Management System	Number of Reviewed Performance Management Framework by deadline	Number	To ensure effective Performance Management	Number of Reviewed Performance Management Framework by deadline (MM018-TL081)	Good Governance and Public Participation	Performance Management Framework	[Unspecified]	Office of the Municipal Manager: Performance Management Systems	GP07	0					Reviewed Performance Management Framework by 30 June 2023	Reason for adjustment: Baseline updated	Annually	1	Number	Stand Alone	1	1	1	1	1	1	0	1	Reviewed Performance Management Framework	1	G	Approved on the 30th May 2023		1	1	1	G
D236	MM019	Office of the Municipal Manager - Performance Management Systems	Manager: Performance Management System	Number of Annual Municipal Performance Report prepared and submitted to Auditor - General by legislated deadline	Number	To ensure effective Performance Management	Number of Annual Municipal Performance Report prepared and submitted to Auditor - General by legislated deadline (MM019-TL082)	Good Governance and Public Participation	Annual Municipal Performance Report	[Unspecified]	Office of the Municipal Manager: Performance Management Systems	GP07	0					Annual Municipal Performance Report prepared and submitted to Auditor - General by 31 August 2022	Reason for adjustment: Baseline updated	Annually	1	Number	Stand Alone	1	1	1	1	1	0	0	0		0	N/A			1	1	1	G
D237	MM020	Office of the Municipal Manager - Office of the Municipal Manager	Municipal Manager	Number of performance reviews of Senior Managers & MM conducted by deadline	Number	To ensure effective Performance Management	Number of performance reviews of Senior Managers & MM conducted by deadline (MM020-TL083)	Good Governance and Public Participation	Performance Reviews	[Unspecified]	Office of the Municipal Manager: Performance Management Systems	GP07	0	0				Performance reviews of Senior Managers & MM conducted by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	3	Number	Last Value	4	3	4	4	2	4	0	4		0	R			4	4	2	R
D238	MM021	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of activities conducted to ensure IDP Review by deadline	Number	To facilitate co-ordinated planning and development	Number of activities conducted to ensure IDP Review by deadline (MM021-TL084)	Cross Cutting	Annual IDP Review	[Unspecified]	Office of the Municipal Manager: Planning	CC01	0	0				Activities - Start IDP Process, Adopted IDP process plan and Adopt Draft IDP conducted to ensure IDP Review by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	3	Number	Last Value	3	3	3	3	3	0	0	0		0	N/A			3	3	3	G
D239	MM022	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of planning and infrastructure alignments meeting held by deadline	Number	To facilitate co-ordinated planning and development	Number of planning and infrastructure alignments meeting held by deadline (MM022-TL085)	Cross Cutting	Infrastructure Planning	[Unspecified]	Office of the Municipal Manager: Planning	CC01	0	0				Planning and infrastructure alignments meeting held by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	6	Number	Last Value	6	6	6	6	6	6	0	6		4	G	The last two meeting were held on 02 June 2023 and 23 June 2023	N/A	6	6	6	G
D240	MM023	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of reports on implementation of DPSS by deadline	Number	To facilitate co-ordinated planning and development	Number of reports on implementation of DPSS by deadline (MM023-TL086)	Cross Cutting	Development Planning Shared Services	[Unspecified]	Office of the Municipal Manager: Planning	CC01	0	0				Reports on implementation of DPSS by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	Reports on implementation of DPSS by 30 June 2023	4	G	1. The report ending 30 June 2023 was prepared and submitted to COGTA. 2. The Special DDM Technical Hub meeting was held on 05 May 2023 to discuss and resolve the 2018 2023 Business Plan and staffing contractual matters	N/A	4	4	4	G

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23						Overall Performance for July 2022 to June 2023			
																													Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D241	MM024	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of District Development Model/One plan adopted by Exco/Council by deadline	Number	To facilitate co-ordinated planning and development	Number of District Development Model/One plan adopted by Exco/Council by deadline (MM024-TL087)	Cross Cutting	District Growth and Development Plan	[Unspecified]	Office of the Municipal Manager: Planning	CC01	0					District Development Model/One plan adopted by Exco/Council by 30 June 2023	Reason for adjustment: Baseline updated	Annually	0	Number	Stand-Alone	1	0	1	1	1	1	0	1	District Development Model/One plan adopted by Exco/Council	1	G	The Political Hub adopted the District Development Model on 14 December 2022. This follows the requirements of Circular 10 of 2022 In addition, it must be noted that the KPI was incorrectly stated for the plan to be adopted by EXCO/Council and should have reflected the Policital Hub as the DDM approval structure for the adoption of the DDM One Plan	N/A	1	1	1	G
D242	MM025	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of reports on implementation of Spatial development framework by deadline	Number	To facilitate co-ordinated planning and development	Number of reports on implementation of Spatial development framework by deadline (MM025-TL088)	Cross Cutting	Special development framework	[Unspecified]	Office of the Municipal Manager: Planning	CC01	0		0			Reports on implementation of Spatial development framework by 30 June 2023	Reason for adjustment: Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G	The SDF quarterly report has been prepared and submitted to the COGTA - KZN	N/A	4	4	4	G
D243	MM026	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of potential sites identified for regional landfill site by deadline	Number	To encourage sustainable use of natural resources	Number of potential sites identified for regional landfill site by deadline. (MM026-TL089)	Cross Cutting	Regional land fill site as per Integrated Waste Management Plan	[Unspecified]	Office of the Municipal Manager: Planning	CC02	0					potential sites identified for regional landfill site by 30 June 2023	Baseline updated. Target reviewed to be in line with progress to date, as scoping report is already done	Annually	0	Number	Stand-Alone	New indicator	New indicator	1	2	0	1	1	2	0	0	R	Target was not met. The complete identification of the two sites was not finalised before 30 June 2023. Whilst several sites have been identified, this was still subject to reaching a consensus with the applicable landowners The identified sites were publicly and privately owned, and the preferred sites were publicly owned to minimise the financial implications. Therefore, some information was required from the affected Municipalities regarding ownership (between the Traditional Authority, Municipality and Provincial Government) of the properties in question. This was done so that when we begin other processes, possibly at risk with arrangement with the land owners, i.e.... EIA / WULA	The unit will arrange a meeting with the affected Local Municipalities to discuss the potential sites and ownership thereof. After the discussion, a way forward will be addressed as well as to which sites will commence for further investigations	1	2	0	R
D244	MM027	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of uMvoti Catchment Plan adopted by deadline	Number	To encourage sustainable use of natural resources	Number of uMvoti Catchment Plan adopted by deadline (MM027-TL090)	Cross Cutting	uMvoti Catchment Plan	[Unspecified]	Office of the Municipal Manager: Planning	CC02	0					Number of uMvoti Catchment Plan adopted by 30 June 2023	Reason for adjustment: Baseline updated	Annually	0	Number	Stand Alone	New indicator	New indicator	1	1	0	1	0	1	0	0	R	The uMvoti Catchment study was not independently pursued by the Planning and IDP business unit in the 2022/2023 financial year. The project activities to ensure the plan is developed were encapsulated in the feasibility study for the new Waste Water Treatment works (WWTW) spearheaded by the Technical Services Department. It must be noted that the terms of reference for the original scope of works for SMEC consisted of the design of a new 18Ml/d wastewater treatment works (WWTW) in KwaDukuza, however, during the inception stage, it was revealed that Royal Haskoning DHV (RHDHV) had already been engaged to design the KwaDukuza WWTW. As a result, the project's scope of work changed from the KwaDukuza	The project activities were not concluded in the 2022/2023 financial year. However, project progress is well underway and the last PSC meeting was held on 03 July 2023	1	1	0	R

Ilembe District Municipality

Office of the MM - 2022/2023 Annual Performance Report - Final AG Audited

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measurement	Strategic Objective	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022 - 2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23							Overall Performance for Ju 2022 to June 2023			
																												Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D245	MM028	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of quarterly workshops held on Greening education and awareness	Number	To develop programs responding to impacts of climate change	Number of quarterly workshops held on Greening education and awareness (MM028 TL091)	Cross Cutting	Implementation of Climate Change Strategy	[Unspecified]	Office of the Municipal Manager Planning	CC03	0		0			Number of quarterly workshops held on Greening education and awareness by 30 June 2023	Reason for adjustment: baseline updated	Annually	0	Number	Last Value	New indicator	New indicator	4	4	4	4	0	4		4	G	The last quarterly workshops were held on 26 May 2023 and 09 June 2023 The intention was to create community awareness about the health consequences of illegal dumping and awareness among Municipal officials to deal with illegal dumping issues in their respective areas Activities included education, awareness, and clean-up campaigns in partnership with Ndwedwe LM and aQuelle as a private partner that also sponsored refreshments, PPE and refuse waste collection	N/A	4	4	4	G
D276	MM033-TL114	Office of the Municipal Manager - Office of the Municipal Manager	Municipal Manager	Number of performance reviews between Manager's under office of the Municipal Manager and the Municipal Manager	Number	To ensure effective Individual Performance Management	Number of performance reviews between Manager's under office of the Municipal Manager and the Municipal Manager conducted quarterly (MM033-TL114)	Good Governance and Public Participation	Performance Reviews	[Unspecified]	Office of the Municipal Manager	GP07	0		0			performance reviews between Manager's under office of the Municipal Manager and the Municipal Manager conducted by end June 2023	Reason for adjustment: KPI included in Top Layer	Quarterly	4	Number	Last Value	4	4	2	2	0	2	0	2		0	R			2	2	0	R
D277	MM054-TL115	Office of the Municipal Manager - Planning	Manager: IDP & Planning	Number of adopted IDP by deadline	Number	To facilitate co-ordinated planning and development	Number of adopted IDP by deadline (MM054-TL115)	Cross Cutting	Annual IDP Review	[Unspecified]	Office of the Municipal Manager	CC01	0		0			2023/2024 Final IDP adopted by 31 May 2023	Reason for adjustment: KPI included in Top Layer	Annually	1	Number	Last Value	1	1	1	1	1	1	0	1		1	G	The 2023/24 IDP was adopted on 30 May 2023	N/A	1	1	1	G

Overall Summary of Results

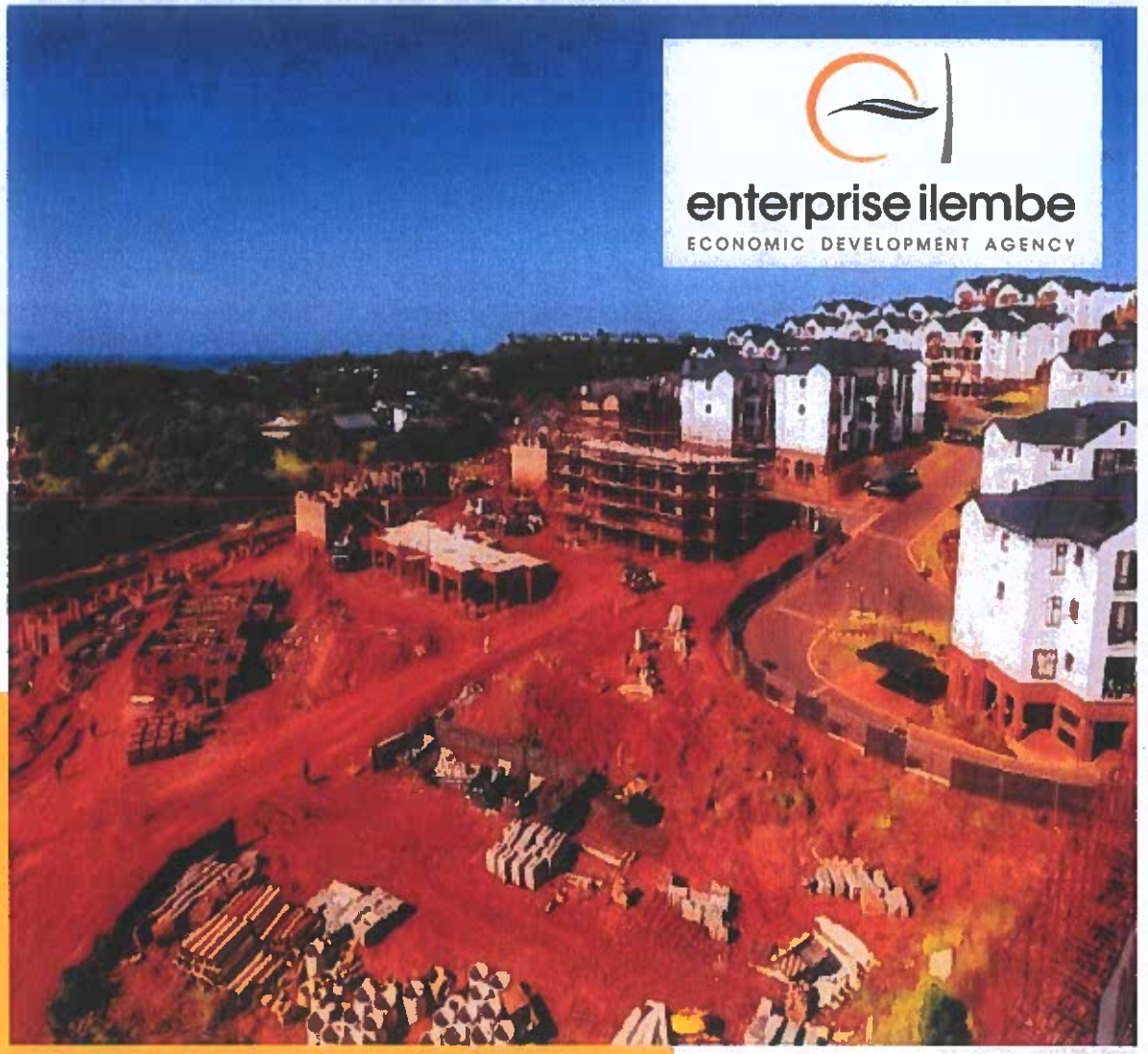
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 98.999%	6
O	KPI Almost Met	99.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	23
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	2
	Total KPIs:		32

Report generated on 31 August 2023 at 10:10

Ref	Indicator Ref / Indicator or Code	Responsible Departments	Responsible Director	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23						Overall Performance for July 2022 to June 2023			
																													Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D146	T501	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Percentage decrease in backlog eradication by deadline	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes	Percentage decrease in backlog eradication by deadline (T501-TL009)	Basic Service Delivery and Infrastructure	Sanitation backlog eradication	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	B502	R10839907 2 allocated for T51 to T53	R111,089,185 allocated for T51 to T53			R 99,656,306 allocated for T51 to T53	decrease from baseline of 11.86% by 30 June 2023	Baseline updated Budget adjusted Took out rounding off from annual target description Target reviewed due to reduction in number of households to be connected Groutville D Waterborne Sanitation Target removed as 290 household connections are done by KwaDukuza Municipality 3rd Special Adjustment Budget- April 2023 Budget reduced Annual and quarter 4 target reviewed	Annually	0.74%	Percent	Stand Alone	0.81%	0.74%	0.97%	0.96%	1.00%	0.93%	0.04%	0.96%	by 30 June 2023	1.00%		Additional units achieved due to delaying increasing of the unit cost and some units were a carryover from previous year		0.92%	0.96%	1.00%	
D147	T502	Technical Services - Infrastructure Planning & Implementation	District Engineer - DK	Number of VIP toilets constructed and waterborne sanitation completed by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes	Number of VIP toilets constructed and household's with waterborne sanitation to be connected by deadline (T502 TL005)	Basic Service Delivery and Infrastructure	Sanitation Projects to be implemented	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	B502	R10839907 2 allocated for T51 to T53	R111,089,185 allocated for T51 to T53	allocated for T51 to T53		R 99,656,306 allocated for T51 to T53	VIP toilets completed by 30 June 2023	Baseline updated Budget adjusted Groutville D Waterborne Sanitatio Target removed as household connections are done by KwaDukuza Municipality. 3rd Special Adjustment Budget- April 2023 Budget reduced Additional VIP toilets included	Annually	1 186	Number	Last Value	1 553	1 186	1 760	1 845	1 918	1 760	85	1 845	VIP Toilets by 30 June 2023	1 918		The project managers requested for an increase in the unit cost due to increase in fuel, steel and other building material. The request for an increase in the unit cost was delayed and only implemented from January 23. This allowed for the savings in the first two quarters to be ploughed back to construct more units		1 760	1 845	1 918	
D148	T503	Technical Services - Technical Services	Senior Manager Technical Services	The percentage of households with access to basic level of sanitation by deadline	Percentage	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes	The percentage of households with access to basic level of sanitation by deadline (T503-TL006)	Basic Service Delivery and Infrastructure	Sanitation Projects to be implemented	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Technical Services	B502	R10839907 2 allocated for T51 to T53	R111,089,185 allocated for T51 to T53			R 99,656,306 allocated for T51 to T53	of households with access to basic level of sanitation by 30 June 2023	Baseline updated Budget adjusted Target reviewed due to reduction in number of households to be connected 3rd Special Adjustment Budget- April 2023 Budget reduced	Annually	88.18%	Percent	Stand Alone	88.18%	88.18%	89.05%	89.10%	89.18%	89.05%	0.05%	89.10%	by 30 June 2023	89.18%		The project managers requested for an increase in the unit cost due to increase in fuel, steel and other building material. The request for an increase in the unit cost was delayed and only implemented from January 23. This allowed for the savings in the first two quarters to be ploughed back to construct more units		88.05%	89.10%	89.18%	
D149	T504	Technical Services - Water Provision & Authority	Manager: Water Quality	Number of quarterly reports prepared to monitor water quality by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes	Number of reports prepared to monitor water quality by deadline (T504-TL002)	Basic Service Delivery and Infrastructure	Blue drop assessment status	To provide excellent water quality that will meet or exceed the National Standards	Technical Services Water Provision and Authority	B501	0					reports prepared to monitor water quality by 30 June 2023	Reason for adjustment,baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	by 30 June 2023	4				4	4	4	
D150	T505	Technical Services - Water Provision & Authority	Manager Water Quality	Number of quarterly reports prepared to monitor waste water quality by deadline	Number	To ensure access to basic sanitation for domestic consumption and support local economic development	Yes	Number of reports prepared to monitor waste water quality by deadline (T505-TL010)	Basic Service Delivery and Infrastructure	Green drop assessment status	To provide excellent quality effluent	Technical Services Water Provision and Authority	B502	0					reports prepared to monitor waste water quality by 30 June 2023	Reason for adjustment. Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4	by 30 June 2023	4				4	4	4	
D151	T506	Technical Services - Technical Services	Senior Manager: Technical Services	Number of reports on monitoring of the concession submitted by deadline	Number	Monitor Sita Water concession contract	Yes	Number of reports on monitoring of the concession submitted by deadline (T506-TL011)	Basic Service Delivery and Infrastructure	Sita Water Plan	To monitor performance of the appointed service provider	Technical Services Technical Services	B503	0					reports on monitoring of the concession submitted by 30 June 2023	Reason for adjustment: Baseline updated Target reviewed as Q4 report for the previous year was only submitted in Q1	Quarterly	1	Number	Last Value	4	5	4	4	4	4	0	4		4				4	4	4	
D152	T507	Technical Services Technical Services	Senior Manager Technical Services	Percentage of reported households responded with services reinstated within 48 hours on	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Turnaround time for reinstating water services	To ensure uninterrupted water services	Technical Services Technical Services	B501	0					within 48 hours by 30 June 2023	Reason for adjustment Baseline updated	Quarterly	100.00%	Percent	Last Value	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	within 48 hours	100.00%				100.00%	100.00%	100.00%	
D153	T508	Technical Services - Technical Services	Senior Manager Technical Services	Percentage of reported households responded with services reinstated within 24 hours on sanitation KZ291 & KZ292	Percentage	To ensure continuous and sustainable provision of sanitation services	Yes		Basic Service Delivery and Infrastructure	Turnaround time for reinstating sanitation services	To ensure uninterrupted sanitation services	Technical Services Technical Services	B502	0					within 24 hours by 30 June 2023	Reason for adjustment Baseline updated	Quarterly	100.00%	Percent	Last Value	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	within 24 hours	100.00%				100.00%	100.00%	100.00%	
D154	T509	Technical Services WCWDM	Manager: WSP NM	Number of job opportunities created through water infrastructure & service delivery efforts (Labour intensive construction LIC) EPWP by deadline	Number	Create job opportunities through infrastructure projects	Yes	Number of job opportunities created through water infrastructure & service delivery efforts (Labour intensive construction LIC) EPWP by deadline (T509-TL012)	Basic Service Delivery and Infrastructure	Implementation of projects that requires manual labour	To create employment through implementation of projects	Technical Services WCWDM	B504	10939000	12939000				job opportunities created by 30 June 2023	Reason for adjustment Baseline updated Budget adjusted	Quarterly	1 611	Number	Last Value	1 187	1 111	1 200	1 200	1 204	1 200	0	1 200		1 204		Target met files with ID copies, POP, and timesheets or registers are available		1 200	1 200	1 204	

Ref	Unique Ref / Indicator Code	Responsible Department	Responsible Person	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	MSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022-2023 YTD Actual	Jun-23						Overall Performance for July 2022 to June 2023			
																														Original Target	Target Adjustments	Target	Target Descriptions	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D156	TS11	Technical Services Technical Services	Senior Manager Technical Services	Percentage of municipality's annual capital budget spent on agreed IDP projects for Technical Services by deadline	Percentage	To ensure sound expenditure management	Yes		Municipal Financial Viability and Management	Capital expenditure monitoring	To ensure spending on capital projects as per allocations	Technical Services Technical Services	FV03	264252611	321888107	286975191	275271741	316492446	Capital expenditure by 30 June 2023	Baseline updated Budget adjusted 3rd Special Adjustment Budget April 2023 Budget reduced	Monthly	103.00%	Percent	Last Value	100.00%	103.00%	100.00%	100.00%	83.00%	100.00%	0.00%	100.00%		83.00%	R	The Accelerated Grant & RAMS grants are not aligned to the Municipal Financial Year; thereby reflecting under expenditure Realistically the grant allocation could not be 100% spent due to the difference in the financial year The Municipality had to accept the grants, which were received late in the financial year	In future more realistic targets will be set during the adjustment period	100.00%	100.00%	83.00%	R
D157	TS12	Technical Services Technical Services	Senior Manager Technical Services	Percentage of Repairs and Maintenance expenditure by deadline	Percentage	To ensure sound expenditure management	Yes		Municipal Financial Viability and Management	Repairs and maintenance expenditure	To ensure infrastructure assets are maintained and operated at optimum level	Technical Services Technical Services	FV03	57699916	66708765	58484816	64442276	66708765	Repairs and Maintenance expenditure by 30 June 2023	Baseline updated Budget adjusted Original Budget on the adjustment budget changed from R57,699,916 to R 62,618,338 50 due to virements 3rd Special Adjustment Budget- April 2023 Budget reduced	Quarterly	90.00%	Percent	Reverse Last Value	100.00%	90.00%	100.00%	100.00%	95.00%	100.00%	0.00%	100.00%		95.00%	R	Budget has changed from R66,708,765 to R 67,058,763 due to virements Expenditure is in line with work undertaken to date Actual expenditure is within the 10% variance	None at this stage	100.00%	100.00%	95.00%	R
D158	TS13	Technical Services Technical Services	Senior Manager: Technical Services	Number of repeat findings in the Auditor Generals management report by deadline	Number	To achieve a clean audit opinion	No		Municipal Financial Viability and Management	Compliance with MFMA and clean administration	Ensure adequate financial and administration management	Technical Services Technical Services	FV05	0	0				Repeat findings in the Auditor General's management report by 30 June 2023	Reason for adjustment: Baseline updated	Annually	0	Number	Last Value	0	0	0	0	0	0	0	0		0	N/A			0	0	0	N/A
D159	TS14	Technical Services Technical Services	Senior Manager: Technical Services	Percentage progress on audit queries resolving plan by deadline	Percentage	To achieve a clean audit opinion	No		Municipal Financial Viability and Management	Compliance with MFMA and clean administration	Ensure adequate financial and administration management	Technical Services Technical Services	FV05	0			0		progress on audit queries resolving plan by 30 June 2023	Reason for adjustment: Baseline updated	Bi-Annually	84.00%	Percent	Last Value	80.00%	84.00%	80.00%	80.00%	87.86%	80.00%	0.00%	80.00%		87.86%	G2	The Auditor General's recommendations have been implemented to ensure that queries are resolved		80.00%	80.00%	87.86%	G2
D160	TS15	Technical Services Technical Services	Senior Manager: Technical Services	Number of Infrastructure forum meetings by deadline	Number	Compliance and good Governance	No		Good Governance and Public Participation	Promote Intergovernmental Relations	To ensure effectiveness of Intergovernmental Relations	Technical Services Technical Services	GP04	0	0				Infrastructure forum meetings by 30 June 2023	Reason for adjustment Baseline updated	Quarterly	3	Number	Last Value	4	3	4	4	4	4	0	4		4	G			4	4	4	G
D161	TS16	Technical Services Technical Services	Senior Manager: Technical Services	Number of updated risk monitoring tool submitted for Technical Services department by deadline	Number	To implement and maintain compliant, effective and efficient enterprise risk management systems and processes	No		Good Governance and Public Participation	Risk management	To ensure effective Enterprise Risk management	Technical Services Technical Services	GP06	0	0				updated risk monitoring tools submitted for Technical Services department by 30 June 2023	Reason for adjustment Baseline updated	Monthly	12	Number	Last Value	12	12	12	12	12	12	0	12		12	G			12	12	12	G
D162	TS17	Technical Services Technical Services	Senior Manager: Technical Services	Number of performance reviews conducted quarterly between Senior Manager and Managers by deadline	Number	To ensure effective Performance Management	No		Good Governance and Public Participation	Performance Reviews	People management	Technical Services Technical Services	GP07	0	0				performance reviews conducted between Senior Manager and Managers by end June 2023	Reason for adjustment Baseline updated	Quarterly	4	Number	Last Value	4	4	4	4	4	4	0	4		4	G			4	4	4	G
D163	TS18	Technical Services Water Provision & Authority	District Engineer PM	Percentage completion of construction by deadline Bulk pipeline (TS/217/2021)	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Macambini Water Supply Phase 5A	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Water Provision and Authority	B501	27000000	21000000				Completion by 30 June 2023	Reason for adjustment: Baseline updated Budget adjusted Responsible owner has changed The project delayed to start due to community protests and CPG/ local business Forum disputes To recover the lost time, the contractor had to accelerate the progress by doubling some of the resources at no additional cost which resulted on the targets sets to be exceeded For the project to reach practical completion stage certain activities are dependent on the completion of other projects e.g The reservoir that will be supplying water to the project (Macambini) for testing the new network, requires a water-ghness test to be performed for it to be certified as distributing	Quarterly	55.00%	Percent	Last Value	25.00%	55.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%		100.00%	G			100.00%	100.00%	100.00%	G
D164	TS19	Technical Services Water Provision & Authority	District Engineer PM	Percentage completion of construction by deadline 2.5ML Reservoir TS/218/2021	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Macambini Water Supply Phase 5B	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Water Provision and Authority	B501	9000000	10000000				Completion by 30 June 2023	Reason for adjustment: Baseline updated Budget adjusted Responsible owner has changed The project delayed to start due to community protests and CPG/ local business forum disputes To recover the lost time, the contractor had to accelerate the progress by doubling some of the resources at no additional cost which resulted on the targets sets to be exceeded There has been labour issues which resulted in progress project slowing down and to date the	Quarterly	40.00%	Percent	Last Value	25.00%	40.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%		100.00%	G	None	N/A	100.00%	100.00%	100.00%	G

Ref	Internal Ref / Indicator Code	Responsible Department	Responsible Owner	KPI Name	Description of Unit of Measure	Strategic Objective	Is this KPI linked to Capital Projects?	Top Layer KPI	National KPA	Municipal KPA	Pre-determined Objective	IMSC	IDP Ref	Budget	Adjusted Budget	1st Special Adjustment Budget	2nd Special Adjustment Budget	3rd Special Adjustment Budget	Annual Target Description	Comment	Reporting Cycle	Baseline	Target Type	Calculation Type	2021-2022 Original Annual Target	2021-2022 YTD Actual	2022-2023 Original Annual Target	2022-2023 Revised Annual Target	2022 2023 YTD Actual	Jun-23						Overall Performance for July 2022 to June 2023			
																														Original Target	Target Adjustments	Target	Target Description	Actual	R	Performance Comment	Corrective Measures	Original Target	Target	Actual	R
D165	TS20	Technical Services Water Provision & Authority	District Engineer PM	Number of activities conducted by deadline Reticulation	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Macambini Water Supply Phase 5C	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Water Provision and Authority	8501	0	40000000			2484791	activities- Tender Advert & Tender opening register completed by 30 June 2023	Budget adjusted Responsible owner has changed The project has delays due to budget unavailability and therefore activities were amended Budget reduced	Quarterly	0	Number	Last Value	0	0	2	2	2	0	2	2	Activity 1 Tender Advert Activity 2 Tender Opening register	2	G		N/A	2	2	2	G
D166	TS21	Technical Services Water Provision & Authority	District Engineer PM	Percentage completion of construction by deadline - Ndulinde Phase 4D - 1Ml and 3 5Ml Reservoir Construction TS 222/2021	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ndulinde Water supply	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Water Provision and Authority	8501	24000000	22000000				Completion by 30 June 2023	Reason for adjustment Baseline updated Budget adjusted Project delayed to start due to community protests and work due to local business forums dissatisfactions Target to be reviewed Responsible owner has changed	Quarterly	5 00%	Percent	Last Value	5.00%	5.00%	80 00%	50 00%	50 00%	80 00%	30 00%	50 00%		50 00%	G		N/A	80.00%	50.00%	50.00%	G
D167	TS22	Technical Services Infrastructure Planning & Implementation	District Engineer PM	Number of activities conducted by deadline Pump station & Pipeline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Southern Regional Bulk Mains	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	8501	9634293				14634293	activities EIA & WULA approval & Detail Design Report & Tender Document Finalised completed by 30 June 2023	Baseline updated EIA & WULA finalised Responsible owner has changed Budget adjusted	Quarterly	2	Number	Last Value	2	2	3	3	2	3	0	3	Activity Tender Document finalised	2	R	Awaiting DWS for WULA approval	Follow up with DWS and the targets will be revised for the new financial year	3	3	2	R
D169	TS24	Technical Services Infrastructure Planning & Implementation	District Engineer DK	Number of activities conducted by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Mastabambisane Regional Water Suppy	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	8501	4000000	3005301				activities - final Detail Design & Final Tender Documentation completed by 31 December 2022	Reason for adjustment Budget adjusted	Quarterly	0	Number	Last Value	New Indicator	New Indicator	2	2	2	0	0	0		0	N/A			2	2	2	G
D170	TS25	Technical Services Infrastructure Planning & Implementation	District Engineer DK	Number of activities conducted by deadline	Number	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	Ntunyambili Bulk Water Supply Scheme	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	8501	4000000	5000000			6000000	activities - 3 Progress Reports on preliminary design & 1 Progress report on EIA, Survey and WULA completed by 30 June 2023	Budget adjusted Q4 target reviewed Budget increased	Quarterly	0	Number	Last Value	New Indicator	New Indicator	4	4	4	4	0	4	Activity Progress report on EIA, Survey and WULA	4	G	Detailed design complete, awaiting DWS to award WULA		4	4	4	G
D171	TS26	Technical Services Infrastructure Planning & Implementation	District Engineer DK	Percentage completion of construction by deadline	Percentage	To ensure access to potable water for domestic consumption and support local economic development	Yes		Basic Service Delivery and Infrastructure	MIG Reprioritization Ngcebo Pumps Upgrade	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented	Technical Services Infrastructure Planning and Implementation	8501	8000000					Completion by 30 June 2023	Reason for adjustment Budget adjusted Awaiting Eskom to install transformer therefore target reviewed	Quarterly	0 00%	Percent	Last Value	0.00%	0.00%	100 00%	100 00%	95 00%	0 00%	100 00%	100 00%		95 00%	R	Project is complete but cannot be commissioned due to lack of power supply from Eskom	Power supply applied for and the Eskom surveyor has been to site now awaiting the appointment of an electrical contractor to install the transformer	100.00%	100.00%	95.00%	R
D172	TS27	Technical Services Infrastructure Planning & Implementation	District Engineer DK	Rand value of MIG expenditure on water projects by deadline	Rand Value	To ensure access to potable water for domestic consumption and support local economic development	Yes	Rand value of MIG expenditure on water projects by deadline (TS27-TL001)	Basic Service Delivery and Infrastructure	MIG funding	To eradicate the backlogs and cater for future demands that may arise out of the new developments that are likely to be implemented with IDM	Technical Services Infrastructure Planning and Implementation	8501	87485352	R88.490.659			91560168	Rand value of MIG expenditure on water projects by 30 June 2023	Baseline updated Budget adjusted 3rd Special Adjustment Budget April 2023 Budget increased	Quarterly	R66 694 182 00	South African Rands	Reverse Last Value	R68 657 308.00	R66 694 182.00	R87 485 352 00	R91 560 168 00	R90 477 944 21	R87 485 352 00	R4 074 816 00	R91 560 168 00		R90 477 944 21	R	Expenditure is within the allowable 10% variance The Inyoni project valued to R435,785 removed from SDBIP as, there were delays in appointment of Contractor and is awaiting approval by Dept of Human Settlement for the appointment of Contactor, therefore no progress commenced as a result project removed from SDBIP . However the expenditure that is part of the capital expenditure report is for design	Within 10% variance	R87 485 352.00	R91 560 168.00	R90 477 944.21	R



ANNUAL REPORT 2022-2023

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1 TABLE OF ACRONYMS

ADA	Agri-Business Development Agency
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
BBBEE	Broad Based Black Empowerment
BEE	Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COGTA	Cooperative Governance & Traditional Affairs
COVID-19	Corona Virus Pandemic
DOE	Department of Education
DOA	Department of Agriculture
DTP	Dube Trade Port
EDTEA	Economic Development, Tourism & Environmental Affairs
EI	Enterprise iLembe
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practices
GVA	Gross Value Added
HR	Human Resources
IAS	International Accounting Standards
IBCI	iLembe Business Confidence Index
ICT	Information Communications Technology
King (IV)	Report of Corporate Governance
KPA	Key Performance Area
KPI	Key Performance Indicator
KSIA	King Shaka International Airport
KZN	Province of KwaZulu Natal
IDM	iLembe District Municipality

2 INTRODUCTION & OVERVIEW

2.1 Report Profile

Enterprise iLembe's Annual Report complies with statutory disclosure requirements of the Municipal Finance Management Act (Act 56 of 2003) and the Companies Act 71 of 2008, as well as relevant regulations, practice notes and circulars as would be issued by National and Provincial Treasury from time to time and is aligned to the shareholder's requirements. In addition, this Annual Report seeks to provide a wholistic account of the Entity's performance against set targets as agreed-to with the sole shareholder, the iLembe District Municipality.
Enterprise iLembe is, in terms of the law, expected to prepare Annual Reports every year and publish such to its stakeholders as an indication of accountability. This report covers the twelve (12) month period from 1 July 2022 to 30 June 2023. The performance content of this Annual Report shows Enterprise iLembe's progress with meeting predetermined objectives and performance indicators against the approved budget planning processes and Shareholder Compact and it contains an audited performance scorecard for the period 2022/2023. The financial content of the Annual Report further contains the audited financial statements for 2022/2023.

The assurance of the annual report for both financial and performance information is provided by various phases and reporting systems which are tested by Internal Audit and reported on to the Independent Audit Committee. In addition, as a municipal entity, Enterprise iLembe is audited by the Auditor-General of South Africa for financial, compliance and performance information.

Further information on the scope covered by Internal and External Auditors is provided in the Corporate Governance chapter of this report as well as in the Audit Committee and External Auditor's reports. The Annual Report content is structured to provide sufficient information to all stakeholders, from political authorities, regulatory bodies, investors, partners, employees and civil society, regarding Enterprise iLembe's annual performance and on-going progress towards achieving its core mandate. Additional information concerning all aspects of the report and its contents can be obtained from Enterprise iLembe offices on:

Sangweni Tourism Center
Cnr. Leonora & Ballito Drive
Ballito
4420
Tel: +27 (0) 32 946-1256

2.2 Overview of iLembe District Municipality

The iLembe District is located just north of the KZN economic powerhouse, the eThekwini Metropolitan Municipality and is the 4th largest District economy in KZN, contributing at least 4.53 % to the GVA of KwaZulu-Natal, but is rapidly growing in its economic contribution. The district is constituted of four local municipalities of Mandeni, Kwa-Dukuza, Ndwedwe and Maphumulo.

Strategically located between two of the country's major ports, Durban and Richards Bay, the District is also dissected by the N2 national highway connecting the two major ports, and the province to Eswatini and Mozambique to the north. The District is situated within 10km of King Shaka International Airport (KSIA) and the Dube TradePort (DTP). It is fast developing as the premier lifestyle destination for residents of KZN and inland provinces, such as Gauteng, a trend which is transforming the economic structure of the District.

Key Economic Drivers

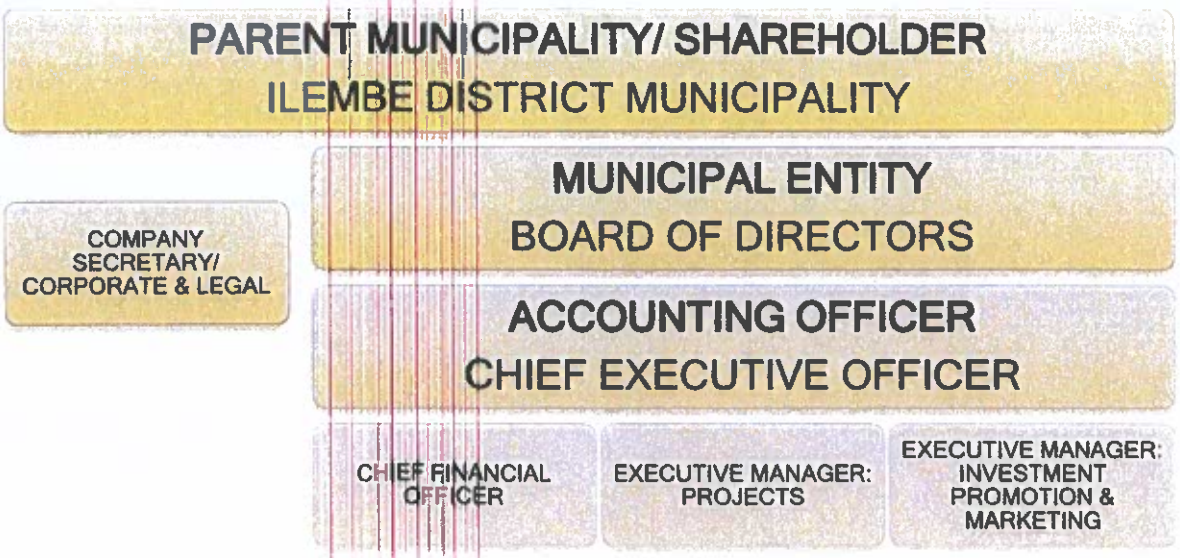
The economy of iLembe is mainly based on four economic sectors: agriculture, tourism, manufacturing, and construction and property development. This by no means underplays the importance of the other economic sectors (transport and logistics, trade and retail and the services sectors) as a local economy can only be successful when all the sectors operate optimally.

2.3 Organisational Profile

iLembe Management Development Enterprise (Pty) Ltd, trading as "Enterprise iLembe", is a Municipal Entity wholly owned by the iLembe District Municipality (IDM). It was incorporated on 27 October 2008 and replaced the iLembe Development Foundation which was incorporated on 8 November 2002 and commenced business operations on 1 July 2006. Enterprise iLembe has been formed as a local economic development agency of the iLembe District Municipality with a primary mandate to promote economic growth within the iLembe District and constituted in terms of the Municipal Systems Act No. 32 of 2000 and the Municipal Finance Management Act No. 56 of 2003 (MFMA) and is obligated to comply with the prescripts of the Companies Act 71 of 2008.

The Chief Executive Officer of Enterprise iLembe is, in terms of section 93 of the Municipal Finance Management Act, read together with section 93J of the Municipal Systems Act 32 of 2000, the Accounting Officer. The Chief Executive Officer, working with the management collective making up the Executive Committee, guides the day-to-day activities of the Entity

and are accountable to the Board of Directors. The Chief Executive Officer's powers and functions are properly defined in the Municipal Finance Management Act (section 94) and specifically delegated to him by the Board of Directors through a delegations of authority framework of the Board. The non-executive Board is vest with the responsibility to provide strategic oversight on the management's execution of their powers and functions and is collectively accountable to the shareholder. The appointment process of Board of Directors is appropriately defined in the constitution documents of the Entity and/or in the shareholder's protocol for the appointment of directors of the Entity.



2.4 Overview of Entity's financial performance

Revenue for the year was at R44 366 481 and expenditure of R55 354 144 with R10 987 663 net deficit realised; and Balance sheet asset value of R34 181 892 with reserves totaling R19 909 195; with an overall organisational performance of 86%, which excludes the expenditure for the assets that were transferred and written-off in the period. The Entity's cash balance as at 30 June 2023 was R16 312 596 which translates to 66 days cash on hand (norm is 30 days) and a cost coverage of 2.19:1.

2.5 Foreword by the Chairman

The past year has presented persistent challenges that have undoubtedly tested our district and country's resilience: the energy crisis, rising inflation, continued high unemployment, and the after-effects of the July 2021 riots. However, I am heartened by the perseverance and compassion displayed by our communities. Notwithstanding the challenges, our district remains a tourism destination of choice, and the hospitality and warmth of all our people remains exemplary.

Enterprise iLembe continues its commitment to driving inclusive growth. I commend our team for their dedication to supporting small businesses and facilitating job creation in the midst of tough budgetary constraints. The dedication of my fellow board members, who have stayed selflessly committed throughout their full term of appointment, is much appreciated. I have been honoured to lead the Board in this 3-year cycle, ending in December 2023. Throughout this term, I proudly affirm no adverse reporting, let alone any suspicion, mischief or finding attributable to me or my fellow Board members and/or members of staff; or brought about any organisational disrepute. Thank you to all concerned.

The devastating floods of 2023 underscore the urgent need to improve climate resilience and disaster responses. We must continue to mobilize our partners across government, business, and civil society to rebuild damaged infrastructure and livelihoods. Supporting sustainable agriculture and promoting tourism to our district has been pivotal and non-negotiable and I am pleased to report that we closed out our 3 year objectives accordingly.

We have continued to create more opportunities for our youth and marginalized to access education, reskilling, and employment through programmes, investment and institutions. To Enterprise iLembe, stimulating entrepreneurship and small enterprise growth is vital and remains the cornerstone of re-invigorating the South African economy. To this end, it is imperative that domestic investment be vigorously encouraged, exponentially supported by government policies, legislation, and willingness, and to then use this momentum to attract much-needed foreign direct investment. It would be remiss not to highlight the abundant sense of pride & joy at the pioneering multi-billion rand investment made by Club Med resorts into our district, done with the assistance of Enterprise iLembe amongst others. This investment should be a catalyst to reignite a multitude of supporting industries for the benefit of the country and the continent.

Unfortunately, rising costs of living have strained household budgets to devastating effect. We must endeavour to strengthen nutritional and social safety nets, promote financial inclusion, and overcome the fundamental challenges of poverty, unemployment and inequality. Good governance, ethical conduct, transparency, and prudent financial management remain critical in all spheres of society.

The road ahead remains long, with much work to be done. Together we can all build a just, resilient, ethical and equitable society. The responsibility rests with all of us to shape a better future. We dare not fail. On behalf of the Board of Directors of Enterprise iLembe I would like to once again, thank our shareholder, iLembe District Municipality from the Mayor, Councilor Thobani Shandu and his fellow Councilors, to the Municipal Manager Mr S Mbhele and his officials for their ongoing support, without whom we would not have been able to implement the mandate of driving effective and sustainable change within our communities.

Nkosi Sikel' iAfrika

Xolani Gumede
Chairperson of the Board of Directors

2.6 Report by the Chief Executive Officer

The 2022/2023 financial year has seen the district economy continue on the path of economic recovery in the wake of the pandemic, April 2022 floods, and the unrest in 2021. Nevertheless, there are still structural and macro-economic hindrances to sustained and accelerated growth in the district economy. The country has experienced record levels of loadshedding which has been debilitating for business continuity and resulted in exponential increase in operating costs for most businesses.

The district economy remains constrained by a series of internal and external factors, including rising interest rates (4.7 percentage point increase since 2021), disruptions to global supply chains due to the ongoing conflict in Europe, and the extensive public infrastructure damage from the floods in 2022. The iLembe Business Confidence Index is a bi-annual survey that provides subjective individual expectations of business leaders within the district, thus providing a basis for business retention and expansion interventions. There were two reports issued in the 2022/23 financial year (December 2022 and June 2023). The reports revealed that business sentiments have descended back into negative territory, representing 1.8 index points decline year on year. The provision of bulk infrastructure, improving the ease of doing business, and removing red tape are lingering impediments to growth. The report, nonetheless, revealed that economic activity was positive at 55.9 index points, this was the fifth successive period of positive economic activity.

The reinstatement of critical road infrastructure in economic corridors is ongoing with the N2 uMhlali bridge North-bound expected to be re-opened shortly. The repairs to the M4 Tongaat river bridge have commenced and due for completion in late 2023. Several large-scale investments are at different stages in the development process, this underscores the continued attractiveness of the district as an investment destination.

Agriculture, which is one of the main sectors in the district economy, continues to face uncertainty due to rising costs and the Tongaat Hulett business rescue processes. The conclusion of the business rescue process and the anticipated acquisition of Tongaat Hulett will be monitored closely in the 2023/24 financial year as this will have great implications for the district economy, especially sugar cane farmers.

The entity's governance structures have all been established and remain fully functional. The Board continues to provide strategic guidance and perform oversight over the company. It's subcommittees i.e., Local Economic Development and Investment; Finance, HR, and Remuneration; and the Audit & Risk Committee are in place and meet in line with the respective Terms of Reference and Charter. In addition, Management has set up the Risk

Management and ICT committee which ensures the entity has in place effective risk management systems, practices, and procedures.

The entity received a positive assessment from KZN COGTA in the bi-annual functionality assessment for the period April 2022 to September 2022. During this period the entity received an overall functionality score of 89% (up from 77% in the previous reporting period). The entity is thus well-placed to execute its economic development mandate and has in place the requisite structures and internal processes.

The entity continues to receive support from the Vuthela iLembe LED programme. In the period under review, the two change management projects were concluded and closed out viz. Human Resource review and the Project and Finance Management. The resultant benefits of these projects included an updated organogram, a series of HR policies, project appraisal and management tools, cashflow management tool, and finance manuals.

Tourism and investment remain key priorities to grow the economy, to this end the entity has in the past year embarked on several marketing and promotional activities aimed at showcasing iLembe as an attractive destination for tourists and investors. We have participated in the following exhibitions: KZN Export Week, Meetings Africa, WTM Africa, WTM London, and Africa Travel Indaba. These interventions, and others from our private sector partners and sister entities (both Provincial and National) are starting to bear fruit. The June 2023 Tourism sector performance report revealed that this sector is firmly on a positive trajectory as the number of visitors have increased by 5% compared to the same period in 2022. Notwithstanding this positive trend, the number of visitors is still below the pre-covid aggregate.

Agriculture, which is a primary sector of the district in terms of output and job creation, also plays a pivotal role in food security, especially in the hinterland which is characterized by low levels of investment. In the past year, the entity has supported several small-scale farmers with production inputs, mechanization, and facilitated access to commercial markets. Access to markets remains an inhibiting factor for growth in this sector, particularly for small scale and emerging farmers. The partnerships with private retailers provide an invaluable offtake in this regard, in addition to the Spar group partnership, the entity secured the Boxer group market for emerging farmers.

Small, Medium and Micro Enterprises (SMMEs) play a critical role in the advancement of a sustainable economy. These businesses have the potential to be one of the drivers of employment, innovation, and economic growth. In this regard, the iLembe Business Incubator

was established to harness the potential of these businesses through the provision of business development services and office infrastructure. In the 2022/23 financial year approximately R9m in funding has been unlocked via the business incubator. The Mandeni Youth Enterprise Park was completed and handed over to the Mandeni Local Municipality and SMMEs are now trading from this facility. The provision of an appropriate skills base is a key tenet of a successful economy, in this regard the entity has commenced skills development programmes focusing on the food & beverages sector and digital skills.

In the year under review, we were joined by Ms. Minenhle Mavuso (Executive Manager: Corporate and Legal) and Ms. Hlengiwe Hakata (Chief Financial Officer). This has ensured that stability at the executive level is maintained, and the entity is able to achieve its strategic and legal obligations.

In conclusion, on behalf of Management, I wish to express our gratitude to the employees of Enterprise iLembe and the Board of Directors who continue to approach the prevailing challenges of the day with purpose and vigor. A special appreciation to the iLembe District Municipality for its strategic direction and support in the execution of the Local Economic Development mandate. The role of our stakeholders cannot be over-emphasized, our deepest gratitude to local municipalities, organized business, sector departments, civic formations, traditional leaders, and the community of iLembe, we maintain the firm conviction that our collective efforts, harnessed for a common purpose, will yield a brighter tomorrow for iLembe.

Linda Mncube
Chief Executive Officer

3 CORPORATE GOVERNANCE

3.1 Corporate Governance

Clearly constituted governance frameworks and structures enable Enterprise iLembe to operate within defined parameters. The Chairperson of the Board and all other Non-Executive Directors / Board Members (with the exclusion of the Chief Executive Officer), are classified as Non-Executive Directors. There is a clear distinction of powers, functions and roles of the non-executive members (which include the Chairperson) and those conferred on the Chief Executive Officer by law and though delegation. The seven (7) Board Members are drawn from the key economic sectors (Agriculture, Manufacturing, Property & Construction, and Tourism) as well as specialist skills in Finance/Audit, Legal and Economic Development/Enterprise Development. All Directors are enjoined to execute their legal duties in a professional manner, with integrity and utmost good faith. The Board of Directors is collectively accountable for the leadership and oversight control of management actions in Enterprise iLembe. Its responsibilities include the development, review and monitoring of strategic objectives, the approval of budget expenditure, risk management and monitoring of operational and financial performance.

The iLembe District Municipality is the sole Shareholder of Enterprise iLembe. The Board of Directors contracts with the Shareholder, through an annually approved Shareholder Compact. The Chief Executive Officer, as the Accounting Officer, is accountable to the Board for the successful implementation of this compact and the overall performance of the Entity and is also required by law to account to various other stakeholders on behalf of the Entity.

The Board Charter provides a firm foundation for a clear definition of roles at the helm of governance structures of the organisation. It sets out the roles and responsibilities of the Board of Directors, Chairperson of the Board and Sub Committees, and other key roles to ensure clarity and alignment. It is not meant to be a repetition of corporate governance rules, but instead, to specify how the Board would like to work together with and relate to Executive Management and other key stakeholders.

The Board is required to meet at least 4 times per annum (once every quarter), as approved by the Chairperson of the Board and for which notice must be given. In addition to that, the Board is required to attend the following:

- Quarterly Sub-Committee meetings for Local Economic Development and Investment Committee as well as the HR, Finance and Remuneration Committee.

- Quarterly Shareholder Meetings.
- Board Strategy Session.
- Any other additional meeting over and above those listed above, as deemed necessary to deal with corporate governance matters of the Agency.

The schedule below indicates the attendance by the Board Members to Board and sub-committee meetings for the period 01 July 2022 to 30 June 2023:

Name	Board Meeting	LED and Investment Sub-Committee	HR, Finance & Remuneration (HRFR) Sub-Committee	Adhoc Session / Special Events	Total Meetings remunerated for
Mr Xolani Gumede **(Chairperson of the Board)**	7/7	*	6/6	7	20
** Ms Ntokozo Mlaba **(Dep Chair & Chair HRFR Sub-Com)**	5/7	*	6/6	0	0
Mr. Ian Deetlefs **(Chair LED & Investment Sub-Com)**	6/7	4/4	*	1	11
Ms Noluthando Dlamini	6/7	3/4	3/6	1	13
Dr Thami Mbonambi	6/7	3/4	4/6	6	19
Ms Zodwa Msimang	5/6	4/4	*	1	10
Mr Philani Gumede	6/7	*	5/6	0	11

** Not a member of the Sub -Committee*

***The board member attended the meeting however not remunerated for the attendance.*

Overall, the Board functioned at a strategic level and delivered outputs in line with its mandate. Non-Executive Board of Directors receive remunerative benefits and fees in line with their terms of appointment, except for one board member. Therefore, no Board Member is involved in determining his/her own remuneration. Board Members' remuneration is fully disclosed in the financial statements component of this report.

The table below reflects the profiles of the Board Members

PHOTO	NAME AND SURNAME	ROLE	GENDER	BRIEF PROFILE
	Mr Xolani Gumede	Chairperson	Male	• Property Administration & Management (Technikon Natal). • Dip. Industrial Relations & Labour Law (IRR) • AMP International Business & Management (CDG, Germany) • Adv Project Management (UNISA) • Post-Grad in Project Management (USQ, Australia) • Masters in Project Management (USQ, Australia) Member of the South African Council for the Project and Construction Management Professions (SACPCMP). A businessman and former Director at Turner & Townsend (2020-2021), President of iLembe Chamber of Commerce Industry & Tourism (2017-2019), Board-member of iLembe Chamber of Commerce Industry & Tourism (2016-2017).
	Ms Ntokozo Mlaba	Deputy Chairperson Chair: HR Finance & Remuneration Committee	Female	• B. Comm Hons (Accounting) UKZN; Master's in business leadership UNISA She is an auditor by profession and has served in various audit roles in both the private and public sectors. She is a member of the Institute of Directors and a Member of the Institute of Internal Auditors SA.
	Major General (Rtd) Ian Deetlefs SSAS PG SM JCD	Chairperson: LED & Investment	Male	• Bachelor of Economics (UKZN) A businessman and a director in several private entities. He is a retired Chief of Defence Reserves, SANDF. Previously served as a Director of Enterprise iLembe and Chairman of Denel.

PHOTO	NAME AND SURNAME	ROLE	GENDER	BRIEF PROFILE
	Dr Thami Mbonambi	Member: HR Finance & Remuneration Member: LED & Investment	Male	• Degree in Business Administration (UZ); • Postgrad Diploma in Finance & Marketing, MCom, LLM, PhD in Business Administration (UKZN) A financial, business and legal expert; and an experienced businessman with interests in property development, venture capital transactions across various sectors including start-ups.
	Ms Noluthando Dlamini	Member: HR Finance & Remuneration Member: LED & Investment	Female	• Diploma in Business Management, • Bcom Economics, • Masters Business Administration A businesswoman and is the CEO of Ngcebo Yethu Holdings. Her previous assignments include being the Marketing and Stakeholder Relations Manager for National Construction Incubator, Area Manager SEDA Construction Incubator – Gauteng.
	Ms Zodwa Msimang	Member: LED & Investment	Female	• BA Communications • Higher Diploma in Education (UZ) • Certificate in Public Relations, Certificate in Human Resources (Damelin College) • Certificate Social Entrepreneurship Program (Gordon Institute of Business Science) A member of the South African Association for the Conferencing Industry and Durban Chamber of Commerce and Industries. She is a businesswoman, founder and current Group Chairman and Managing Director of Ikhono Thrive Global. She is currently a board member of Omame Investments. She has previously served on the boards of Tourism KZN and the Durban International Convention Centre, the South African Association for the Conferencing Industry and Hlahlindlela Investments.

PHOTO	NAME AND SURNAME	ROLE	GENDER	BRIEF PROFILE
	Mr Philani Gumede	Member: LED & Investment	Male	• National Diploma, Chemical Engineering Technology (DUT) • Snr Management Development Programme (SBS) General Management experience coupled with years of experience in Production Management in a global renewable resource company.
	Mr Linda Mncube	Accounting Officer	Male	• Degree in Town and Regional Planning (DUT) • PG dip in Urban Management (Erasmus University Rotterdam, Netherlands) A registered Professional Planner with the South African Council for Planners (SACPLAN) He was previously responsible for Strategy, Planning, and Risk Management within Enterprise iLembe. He has held various roles in Local Government including Land Use Management, Spatial Planning, and Strategic Planning.

Audit and Risk Committee

The Audit and Risk Committee comprises of Independent Members who are directly appointed by the shareholder. As at the beginning of the reporting period, this Committee comprised of five (5) Members who were appointed in line with section 166 of the MFMA with their term ending on 30 June 2025. As reflected on the table below, the Committee subsequently had two (2) resignations in the period under review thus ending the year with only three (3) members.

Name	Number of Meetings Held
Mr Z Zulu - Chairperson	4/4
Ms SC Dlungwane	4/4
Mr BM Mhlongo	4/4
*Mr E Mulla	1/2
**Mr PGJ Dzanibe	3/3

*Resigned 17 February 2023
**Resigned 24 April 2023

Company Secretariat

During the year under review the Entity appointed a Company Secretary/Executive Manager: Corporate & Legal on 01 December 2022 which was in line with the restructured organogram that was approved in March 2022. The Company Secretary is responsible for the secretariat function at a strategic level, governance advisory services, compliance management and also plays a critical role in legal advisory to the Board in relation to good governance principles. The Company Secretariat attends all Board and Board sub-committee meetings.

The Board and members of the Executive Committees have access to the Company Secretary for guidance on how to perform their duties and responsibilities in the best interests of the Entity. The Company Secretary is responsible for the scheduling, preparation and administration for Board and Board sub-committee meetings.

The Board of Directors is satisfied with the way the Entity put measures in place to ensure overall compliance with laws and regulatory requirements and in the manner in which support was provided to the Board of Directors in the discharge of their fiduciary duties over the period.

3.2 Strategic Objectives & Functions

3.2.1 Entity Mandate

From a strategy assessment and implementation point of view, the Entity's mandate can be broken down into the following pillars:

- Develop, review and strengthen the local economic development strategy on behalf of the district and family of municipalities;
- Champion a wide range of activities which emerge as important from the family of IDPs and LED Strategies;
- Co-ordinate LED activities to ensure alignment and integration;
- District marketing and promotion of tourism and investment promotion;
- Facilitate the identification, packaging and implementation of catalytic projects in the four key sectors and new sectors;
- Provide professional and multi-skilled support and networking services to major investors who wish to invest in the region;
- Work with local government to facilitate a business enabling environment;
- Implement business, retention and expansion (BR&E) programmes in partnership with local business;
- Build twinning relationships with developed regions nationally and internationally;

- Social Risk Management.

3.2.2 Key Strategic Goals & Objectives

The key strategic goals and objectives can be summarized as follows:



Facilitate the packaging & implementation of projects in existing & new sectors



Market & Promote the iLembe District as an Investment, Tourism & Business Destination



Research other potential growth sectors in addition to the current four sectors of main focus



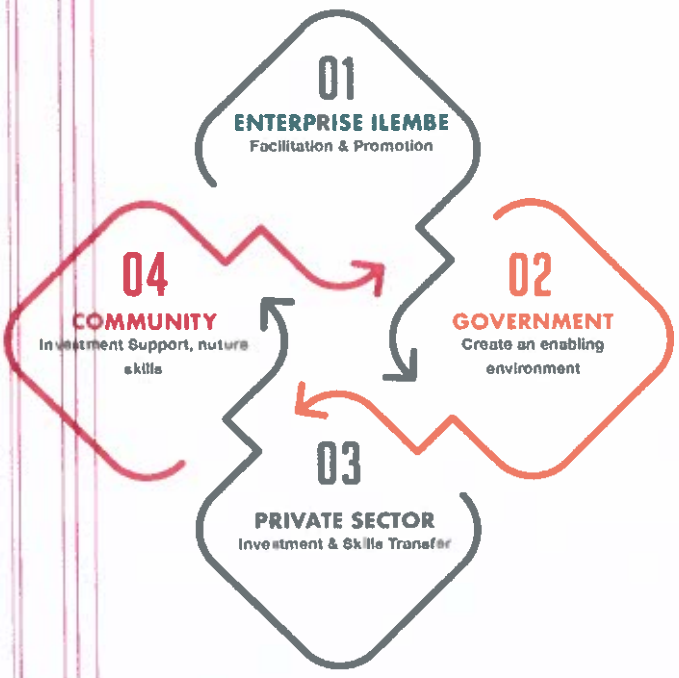
Identify, build and co-ordinate partnerships among socio economic stakeholders



Facilitate research that assists with Policy Development and formulation that impacts the mandate of the Agency



Influence policy and the regulatory environment for socio economic development an investment



3.2.3 Roles & Responsibilities

It is the role of Enterprise iLembe to facilitate and promote socio economic development in the region. The role of Enterprise iLembe can be further defined as follows;

- Nurture new ideas which have commercial potential and have high impact potential in regards to poverty alleviation, jobs and empowerment.
- Build partnerships between public sector, support institutions, private sector and the community.
- Build partnerships within each locality and support one another in service delivery.
- Collectively bridge the gap between 1st & 2nd economies through catalytic & high-impact projects.

3.2.4 Service Level Agreement

Enterprise iLembe has a Service Level Agreement (SLA) with iLembe District Municipality. The SLA guides the mandate of the Entity and sets out the function and services to be delivered as follows:

a. Project Management Unit: Using the Project Management Unit for developing and implementing detailed service delivery plans within the framework of the municipality's IDP;

b. Promotion of Social and Economic Development: To promote integrated and equitable social and economic development within the district as a whole by taking appropriate steps to enhance such development;

c. Tourism: Promotion of local tourism for the area of the district municipality;

d. Markets: The establishment, conduct and control of fresh produce markets serving the area of a major portion of the municipalities in the district;

e. Abattoirs: The establishment, conduct and control of abattoirs serving the area of a major portion of the municipalities in the district;

f. Airports: Municipal airports serving the area of the district municipality as a whole

g. Incidental Powers: The right to exercise any power concerning a matter reasonably necessary or incidental to the effective performance of the functions, the exercise of the power and the provision of the services in the paragraph **a** to **f** above.

Reporting protocols

The Chief Executive Officer as the Accounting Officer has been mandated by the Board of Directors, and is enjoined by legislation, to report to the shareholder, iLembe District Municipality, and any other relevant structures on behalf of the Entity and is accountable to the Board of Directors in relation to such reporting mechanisms. In addition to the various Intergovernmental (IGR) structures, regular meetings are held between the Board of Enterprise iLembe and principals of the District. The Chief Executive Officer and various other functionaries of management of the Entity also participate and report into the following structures;

- Quarterly Executive Committee Meetings
- Economic Development Portfolio Committee
- Finance Portfolio Committee
- District Development Model Hub (DDM)
- Local Municipality IGR
- Provincial Forums

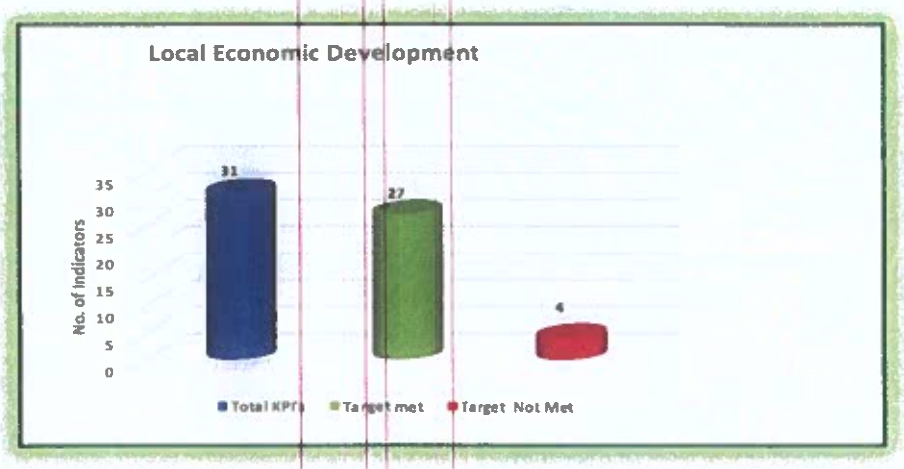
3.3 Performance Reporting

In terms of section 93B of the Municipal Systems Act, the parent municipality must ensure that the performance objectives and indicators for the Municipal Entity are established by agreement with the Entity and included in the municipal Entity's multi-year business plan in accordance with section 87 (5) (d) of the MFMA. It is for this reason that the report for the Enterprise iLembe has been included in the Annual Performance Report.

3.4 Organisational Scorecard – Service Delivery Budget Implementation Plan (SDBIP) 2022/2023

Attached hereto as **Annexure A**

3.4.1 Highlights on Actual Performance by iLembe District PMU



Enterprise iLembe continues to improve co-ordination of Local Economic Development in the District. Implements and ensures sustainability of projects to upscale agriculture development in the District. Capitalises on tourism potential to increase visitor numbers in the District. Increases manufacturing output in the District to attract interest in investment. And ensures job creation by identifying and packaging new projects in existing sectors.

3.4.1.1 Performance Highlights as per the top layer SDBIP and National KPA

NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
LOCAL ECONOMIC DEVELOPMENT	46	38	83%

Economic cluster meetings were held quarterly. In terms of open fields 20 new and existing small-scale farmers are identified and supported by the Entity. A total of 4 new markets were secured for capacitated farmers. Two hydroponic tunnels projects were handed over to co-operatives.

Tourism marketing and development, 4 exhibitions were attended – target exceeded as the TKZN provided space for exhibiting at Meetings Africa at no cost, the opportunity was taken up in an effort to promote business tourism. A total of 17 adverts/advertorials were in relevant publications, 1 official tourism travel guide for 2023/2024 was developed. Percentage of annual increase of tourists (as per calendar year comparison - Dec 2021 to Dec 2022) to iLembe is at 5%. Quarterly tourism forum meetings were held. Two business confidence indexes were developed. Rand value of investment in the district is at R262 000 000 against a target of R100 000 000, higher than anticipated value of investment attracted. The District remains an attractive investment destination. Eight marketing platforms for investment promotion were

identified against a target of 6, the entity was able to leverage additional space for marketing and promotions. The district wide incentive scheme was developed.

To increase investment within the District, a one stop shop was established, 5 stakeholder engagements were hosted/attended. Two impact assessment reports on the iLembe Incubator and 2 progress reports prepared on the Enterprise iLembe incubator SMME's participating in iLembe Entrepreneur Competition were prepared. A total of 21 SMMEs were assisted to participate in the iLembe Entrepreneur competition, and 2 skills development programmes were initiated (FoodBev Project and MICT Project). The actual for youth trained is 216 against a target of 100, target exceeded as there was additional training on the recruitment for the Digital Skills Centre Programme. LED project was implemented (Business incubator). There were 159 co-operatives/SMMEs trained on basic business management skills against a target of 110, there were additional training programmes such as the Operation Vula Fund. Four capacity building and mentorship support for small enterprises were held, during the last quarter of the financial year the following programmes were implemented: SMME Summit, Digital Skills Centre, SMME financial assistance programme, Operation Vula Fund Programme. Eight engagement sessions with local businesses took place against a target of 6, target exceeded as more programmes were implemented. The feasibility study for recycling projects was done. The impact analysis report was prepared, this is done to measure the functionality of District Business Incubator.

3.4.1.2 Challenges and measures to improve performance as per the top layer SDBIP and National KPA

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
LOCAL ECONOMIC DEVELOPMENT	
TL109/D1– Number of quarterly LED Forum meetings held by deadline – actual is 3 against a target of 4 - The 4th quarter meeting did not quorate.	The meeting will be rescheduled in July 2023
D6 - Percentage increase in wine sales – actual is 23,60% against a target of 25% - Winery has been temporarily closed since February 2023.	A request for proposals will be issued for an operator to take over the operations of the winery.
D11 – Percentage implementation of KwaShuShu Hotspring Project – actual is 70% against a target of 100% - Project has been extended to August 2023 and is current at construction phase. Delays currently due to Ezemvelo KZN Wildlife requesting that the site for ablutions requires an EIA	Engagements are taking place to with iLembe District Environmental and EDTEA to intervene.
D29 - Percentage of Industrial Development	Outstanding deliverables to conduct

Corporation Business Relief Funding disbursed – actual is 76% against a target of 100% - Disbursements to affected businesses finalised.		business support programme will be completed by end July 2023.

3.5 Risk Management

The Enterprise iLembe takes risk management seriously hence efforts were made to minimise the risk exposure to a minimal level in all its business operations. The Accounting Officer commits the entity to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Municipal Finance Management Act (MFMA). The Accounting Officer has elevated the status of risk management by ensuring that Executive Management are the members of the Risk Management Committee.

The Audit Committee is furnished with quarterly progress updates on the implementation of mitigating strategies on risks the entity is faced with to strengthen the control environment. The Audit Committee therefore advices the entity on risk management matters and independently monitors the effectiveness of the system of risk management. The entity is gradually developing into more robust risk management culture although there are human resource capacity challenges which the entity has mitigated by signing a service level agreement with the District Municipality to have the Risk Management Officer as a shared service.

The entity continues to implement the approved risk management framework. Its guides risk management process and instil risk management culture within the institution. The risk assessments are conducted to determine the effectiveness of risk management policy and to identify new and emerging risks. Risks are identified through risk assessment sessions as well as through the entity's strategies and subsequently the risk register is updated.

Moreover, the entity has a Risk Management Committee (Chaired by an external member) that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The committee mainly facilitates the management of risk facing the entity and ensures appropriate action is taken to address those risks.

The organisational performance for the 2022/2023 financial year in terms of implementation of risk mitigation strategies is at 85%, this demonstrates that there is some enhancement in the Enterprise iLembe's risk management culture and the management's involvement in embedding their risk responsibilities in the day-to-day operation of the organisation however there is still room for improvement as Management need to ensure that the risk register has risk responses that will be impactful in reducing the risk exposure once implemented.

Below are the top 15 risks as per the entity's risk register for 2022/23:

STRATEGIC RISKS	OPERATIONAL RISKS	FRAUD RISKS
Failure to attract new investors and retain existing business within the manufacturing sector.	Ineffective records management due to lack of protocols and document management system.	Abuse of entity vehicle for private gain.
Inability to ensure a financially sustainable organisation via robust income diversification and strategic drive.	Non- screening of applicants (HR)	Inadequate fuel management resulting in theft of fuel.
	Limited involvement in other agriculture activities other than plant growing	
	Inadequate safety of staff during the performance of the LED duties	
	Limited capacity for facilitation of funding for SMMEs	
	Limited utilisation of the incubator by the entity	
	Lack of involvement of other units in implemented projects	
	No structured recruitment and selection programme for participation of SMME is projects and entity programmes.	
	ICT Infrastructure Inadequate inhouse ICT infrastructure	

3.6 FRAUD AND CORRUPTION

The entity continues to implement the approved anti-fraud and corruption strategy. This strategy features mechanisms in place to report fraud and corruption. The entity recognises that to effectively prevent fraud, all fraudulent activities detected by employees and other stakeholders are timeously investigated. All allegations received through the recently procured corruption hotline that are fraudulent in nature are referred to for investigation. The independent investigations will be conducted, recommendations will be implemented and institute consequence management where necessary. The entity has improved mechanisms in place to mitigate the fraud and corruption risks. The focus area is to create awareness of the anti-fraud and corruption strategy through education and communication. The annual ethics workshop was held on 14 February 2023, with the assistance of the Office of the Premier.

4 SERVICE DELIVERY AND PERFORMANCE HIGHLIGHTS

4.1 Projects Undertaken

4.1.1 Multi-Year Funded Project/s

PROJECT NAME	PROJECT DESCRIPTION & STATUS QUO
Agri-Hubs Phase 1 & 2	*Budget Allocation 2022/2023 – R200 000* *Expenditure as at 30/06/2023 – R 165 426, 45* *Project Funder/s: DCOGTA* The project involves the establishment 8 hydroponic tunnels each located within the 4 Local Municipalities of iLembe. The ultimate objective is to supply high quality vegetables to national and international markets through the Dube Tradeport. A total of 8 2600m² tunnels were constructed in-line with the GAAP standards. Unfortunately, most of the tunnels were damaged due to heavy rains and flood damage. Four [4] tunnels are in a process of being repaired and the process will commence in the 2022/23 financial year. A local technical partner has been appointed to operationalize the other two [2]tunnels, where planting and harvesting of sweet pepper and spinach has started, which is being supplied to Boxer and Pick n` Pay as an alternative market. A total of five [5] Youth has been employed at the tunnels on a temporary basis. There are plans to expand the last two [2] tunnels into a larger Hydroponic Tunnels precinct project to maximize the economies of scale, the following deliverables for the precinct project has been achieved, which includes the borehole drilling; cconstruction of the packhouse; ablution facilities; pprocurement of computers ; which will be followed by the pprocurement of production inputs once the project has been completed. Engagements and workshops with Traditional council are ongoing for the implementation of the ownership model.

PROJECT NAME	PROJECT DESCRIPTION & STATUS QUO
Mandeni Youth Enterprise Park	**CoGTA Grant Funded Project Budget 22/23: R 6 000 000** *Expenditure as at 30/06/2023 – R 5,990 178 49* ***(refer to Note 8 of the AFS)*** *Project Funder/s: DCOGTA* - The project entails the construction of a park that will accommodate Youth Enterprises in a structured marketplace, with an objective to stimulate entrepreneurship opportunities for Youth within Mandeni Local Municipality. The Project Management Team and Project Steering Committee structures are in place, and they play a technical and an oversight role in the implementation of the project. The construction component of the Mandeni Youth Enterprise Park Project is complete. The project has obtained the occupation certificates from Mandeni Municipality. Enterprise iLembe has completed the project handover pack which includes the project closeout report, project drawings, project certificates and other project management documents. KZN-CoGTA is in the process of securing a date for the Project Launch from the Office of the MEC. SMMEs continues to operate within the facility.
iLembe District One Stop Shop	**TIKZN Grant Funded Project Budget 22/23: R 404 225** *Expenditure as at 30/06/2023 – R101 000* ***(refer to Note 14 of the AFS)*** *Project Funder/s: Trade and Investment KwaZulu Natal* Enterprise iLembe has formed a strategic partnership with the Trade and Investment Kwazulu-Natal (TIKZN) for the Establishment of the iLembe District One Stop Shop; which offers the following services to iLembe businesses and potential investors; •Environmental Impact Assessment (EIA) Unit – EIA services •Tourism Grading Council – Tourism property grading services •Agency for Food Safety – Export permits (beef & Poultry) •Department of Home Affairs – Corporate VISAs •SARS – Business Statutory Compliance

PROJECT NAME	PROJECT DESCRIPTION & STATUS QUO
Digital Skills Centre Programme/Maxwell Radebe Digital Centre	**MICT-SETA Grant Funded Project Budget 22/23: R 1 689 413** *Expenditure as at 30/06/2023 – R 396,749.00* **(refer to Note 14 of the AFS)** *Project Funder/s: MICT-SETA* Enterprise iLembe have signed a Memorandum of Understanding with Moses Kotane Institute, this emanates from Enterprise iLembe desire to explore arears of partnership with Moses Kotane Institute in piloting projects that promotes innovation and technology within iLembe district. The two entities have signed a Memorandum of Understanding to formalize this partnership, the partnership includes four areas of collaboration which is: •Oceans Economy and Maritime •Skills Development •Innovation and Technology •Research and Development Through the innovation and technology area of collaboration, the implementation of digital skills was identified as the key driver in promoting innovation and technology within iLembe district. Moses Kotane Institute, Enterprise iLembe and Ndwedwe Municipality rolling out the digital skills programme [Digital centres] in order to equip the youth and SMMEs of Ndwedwe with digital literacy and foster uptake of digital tools. This initiative prioritizes underdeveloped communities to strengthen digital capacity of local SMMEs and youth to succeed in digital economy. The project is ongoing supporting 34 youth of Ndwedwe Municipality, with the provision of ICT capacity building programme in the areas of programming, software development, coding etc. However, the facility is aimed at benefiting all the youth of Ndwedwe as it is located at the community library.

PROJECT NAME	PROJECT DESCRIPTION & STATUS QUO
FoodBev Skills Dev Programme	**FOODBEV-SETA Grant Funded Project Budget 22/23: R6 235 000** *Expenditure as at 30/06/2023 – R1 856, 924.84* *Project Funder/s: FoodBev-SETA* Enterprise iLembe submitted a business proposal on the 28th February 2022 to be appointed as an implementing partner for Food and Beverages Skills Development Programme within iLembe District. Subsequently, the entity received funding approval to implement the skills development programme. The approved amount for this project is R6 235 000, 00 to train 100 beneficiaries on food and business-related programmes across the district.

4.1.2 LED Projects

Other projects that were completed/finalised but which still required oversight and monitoring and evaluation included the following:

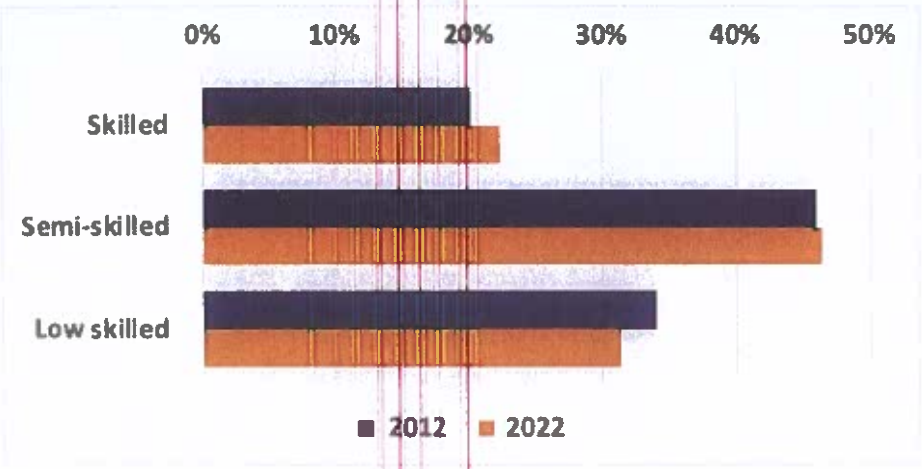
NO	NAME	LOCATION	STATUS
1	Biomass Conversion Combination Plant	Isithebe Industrial Estate	Managed and operated by Phambili Energy
2	Mandeni Youth Enterprise Park (YEP)	Mandeni LM	Managed and Operational by Mandeni Municipality
3	iLembe Open Fields	District Wide	Local Farmer Cooperative Support – Ongoing
4	iLembe Business Incubator	KwaDukuza LM – District Wide	Project is ongoing, where SMMEs are supported with the provision of business development services
5	KwaShuShu & Ntunjambili Tourism Sites	Maphumulo LM	Feasibility, Business Plan & Concept Designs completed. Investment Prospectus completed
6	IDC Business Recovery Fund	District Wide	Project is ongoing where Ei is currently conducting business assessments on funded enterprises, both formal and informal enterprises

4.2 Job Creation & Skills Development

4.2.1 Demographics & Unemployment Rate

The results of the country's Quarterly Labour Force Survey (QLFS) indicated that the number of employed persons increased by 399 000 to 16.7 million in the third quarter of 2023 compared to 16.3 million in the second quarter of 2023. In the same quarter, the number of unemployed persons decreased by 72 000 to 7.8 million during the same quarter. This resulted in a net decrease of 186 000 in the not economically active population. The employment increases were recorded in KwaZulu-Natal (up by 152 000), Limpopo (up by 70 000), North-West (up by 61 000) and Mpumalanga (up by 44 000) – ***SAnews.gov.za***

The labour force within iLembe District is mainly semi-skilled to low skilled made up of 46.4% semi-skilled labour force, 31.3% considered low skilled, and 22.3% considered skilled. The below table show the skill level throughout the decade from 2012 to 2022.



Source: RSA Standardised Regional (Quantec), 2024

4.2.2 Employment and Skill levels

Despite its strategic location to significant economic activities, iLembe is not immune to the challenges facing the country. The district has a Gini Coefficient Index of 0.6, which is considered a significant income disparity. However, with the South African and KZN coefficient siting at 0.7, iLembe's society is comparatively more equal.

The labour force within iLembe District is mainly semi-skilled to low skilled: an estimated 48.8% of the labour force is semi-skilled, 32.3% considered low skilled, and 18.9% considered skilled.

The agriculture, forestry and fisheries sector are dominated by a low skilled labour force. The graph below shows that an estimated 60.6% of the labour force is low skilled, about 35.4% is

semi-skilled, and only 4% is skilled labour. The agriculture, forestry and fisheries sector labour force skill levels are illustrated in the graph below. The manufacturing sector is dominated by a semi-skilled labour force accounting for at least 67.6%, low skilled labour accounting for 20.8%, and skilled labour accounts for 11.6%.

The services sector, the dominant sector in terms of Gross Value Added (GVA) contribution within the district, has a comparatively high skilled labour force, with 25.7% of those employed in the sector considered skilled, 43.9% considered semi-skilled, and 30.4% considered low skilled.

4.2.3 Jobs Created

PROJECT NAME	2021/2022	2022/2023
Mandeni Tunnels The repairs of the tunnels is fully completed. - Engagements with the potential technical partner are ongoing for the possibility of operationalizing the tunnels. - Several meetings have been held with the cooperative regarding the operationalization of the project. - Transfer letters have been drafted and signed. - Mandeni Local Municipality has completed the phase one of road opening into the tunnels - The municipality also assisted with gravelling the road for ease of access. **Maphumulo Tunnels** - Following deliberations with Mkhonto Traditional council and the developers to relocate the tunnels to a newly identified site. - The developers have sent communication to Enterprise iLembe requesting an extension in terms of relocating the tunnels. -This is after several communication was sent to the traditional council and the developers seeking update of the project given the fact that relocation was supposed to be finalized before end of June **KwaDukuza Tunnels** -The tunnels are being repaired, at this stage the roof section of the tunnels have been finalised. - A technical partner has been sourced through the traditional council. - Repairs are anticipated to be finalised by September. - The project will involve, tunnels expansion, pack house, purchase of a truck and 1-ton bakkie, borehole installation and irrigation installation.	36	32

PROJECT NAME	2021/2022	2022/2023
Mlamula Tunnels - The project is in full operation with the product being sold to Boxer. - Manor repairs have been completed by the appointed service provider. - Transfer letters have been signed.		
iLembe Open Fields	1 450 within co-ops	1 175 Within co-ops Some Farms are inactive due to: • NSNP Closure • Floods • Covid-19
Business Incubator	158	196
TOTAL	**2924**	**1988**

4.3 Performance Management

The Entity's commitment to effective performance management through the utilization of the Service Delivery Budget Implementation Plan (SDBIP). This plan serves as a fundamental tool in steering the organization's performance towards its strategic objectives.

Throughout the year, we have rigorously adhered to the principles outlined in the SDBIP to monitor and enhance our organizational performance. Regular reporting, conducted on a monthly and quarterly basis, has allowed us to keep our shareholder, the iLembe District Municipality, informed of our progress. These reports include a comprehensive portfolio of evidence that reflects the Entity's initiatives, achievements, and challenges.

To ensure the integrity of our performance reporting, The performance management unit of iLembe District Municipality, in collaboration with the internal auditors appointed by Enterprise iLembe, conducts meticulous reviews and audits of our performance reports.

Following the review and audit phase, we engage in constructive coaching sessions with key stakeholders. These sessions involve the Entity's Chief Executive Officer and the Municipal Manager of the District. The insights and recommendations gathered from these coaching sessions contribute significantly to refining our performance strategies and aligning our actions with the broader goals of the iLembe District Municipality.

Several key initiatives have been undertaken to align employee roles and responsibilities with our organizational re-structure, optimize performance management practices, and support professional growth.

The Entity's commitment to effective performance management through the utilization of the Service Delivery Budget Implementation Plan (SDBIP). This plan serves as a fundamental tool in steering the organization's performance towards its strategic objectives. A process was undertaken to ensure that each staff member's responsibilities were aligned with the new organizational re-structure of the Entity. We are pleased to report that these revised job descriptions have been meticulously reviewed and signed by employees, confirming their understanding and commitment to their roles in the evolving organizational landscape.

As part of our dedication to nurturing a culture of continuous improvement, the Entity's Performance Management Policy was subjected to a thorough review. The policy was approved by the Board on September 14, 2023. This updated policy provides a robust framework to guide the performance management process, ensuring that it remains relevant, impactful, and aligned with our strategic objectives.

Employees were engaged in multiple sessions with LEAD HR Consulting and their respective Department Heads. These sessions aimed to collaboratively develop and finalize individual performance development plans. These plans were carefully aligned with employees' job descriptions, as well as the Service Delivery Implementation Plan (SDBIP).

Reviews and appraisal sessions have been continuously conducted by the CEO in conjunction with the management team. These sessions provide a platform for open dialogue, feedback, and recognition of achievements.

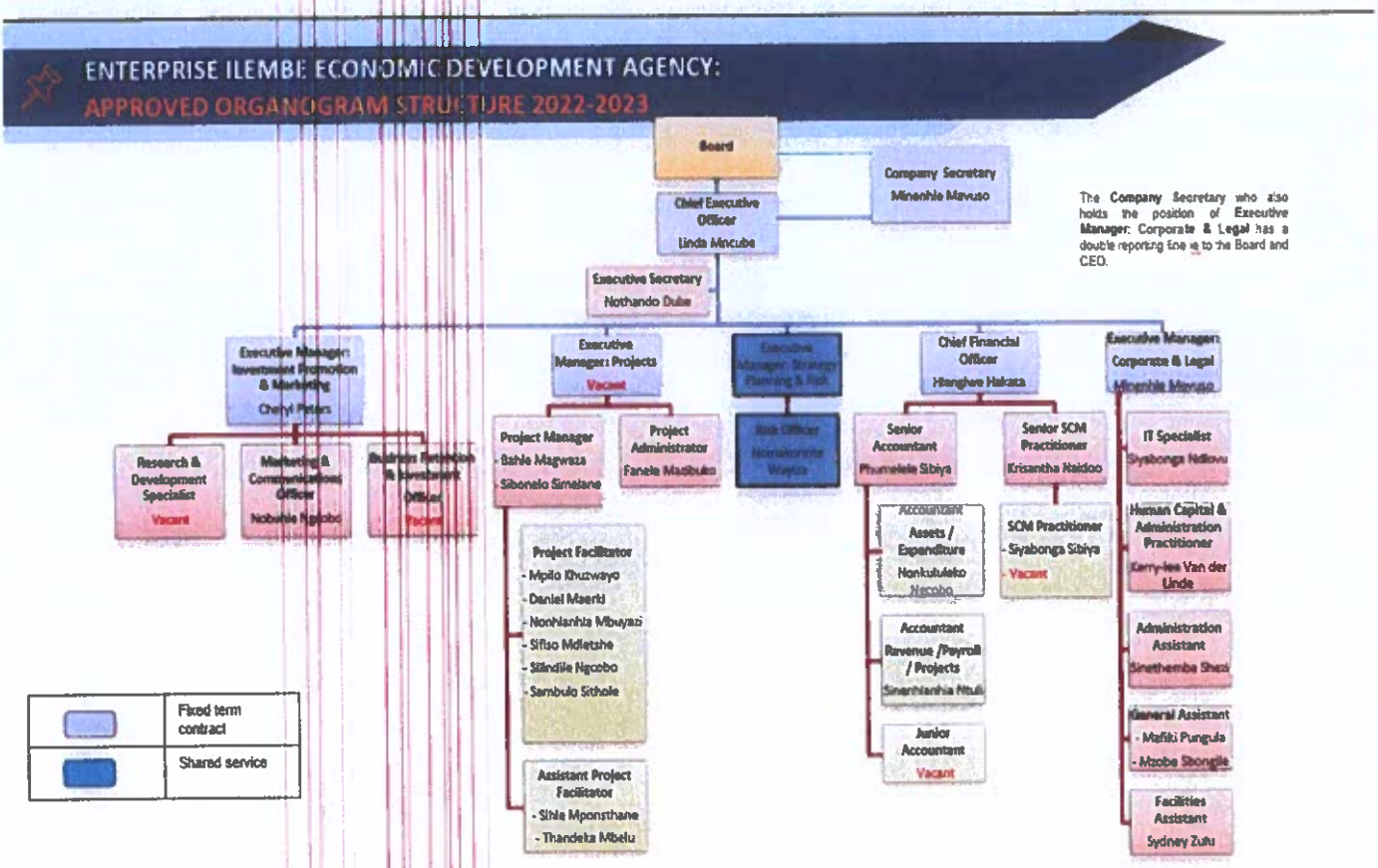
Individual department performance development plans are set to be fully operationalized from July 1, 2023. These plans will act as dynamic roadmaps for each department's journey towards excellence.

2022/2023 Budget Performance

The total annual budget for 2022/2023 financial year for Enterprise iLembe amounted to R49,2 million for which R8,1 million was allocated for projects. The Entity heavily relies on the district for funding. The Entity also gets allocations from other spheres of government for projects that have been identified for implementation within the district. The Entity spent their allocation from the district with just minimal amounts unspent for tourism and the business incubator.

5 HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

5.1 Organisational Structure 2022/2023



Appointments in the 2022/2023 financial year

NO	JOB DESIGNATION	TYPE	START DATE
1.	SCM Officer	Permanent	01 July 2022
2.	Executive Manager: Projects	Contract	01 November 2022
3.	Executive Manager: Company Secretary/ Head of Legal	Contract	01 December 2022
4.	Chief Financial Officer	Contract	01 February 2023
5.	Nobuhle Ngcobo	Permanent	15 February 2023

Resignations/Contract end during 2022/2023 financial year

NO	JOB DESIGNATION	REASON	END DATE
1.	Chief Financial Officer	Resigned	15 December 2022
2.	Executive Manager: Projects	Resigned	30 April 2023

5.2 Institutional Transformation & Employment Equity as at 30 June 2023

In compliance with the Employment Equity Act, 55/1998, the Enterprise iLembe's Employment Equity Plan has been crafted with the aim to remedy any form of discrimination in the workplace by removing all barriers in the employment policies, practices. Affirmative Action has been defined as the tool to implement immediate positive remedial action. Programs and procedures to address both historic and existing inequalities and imbalances of the past are being implemented.

The Entity acknowledges the value of retaining staff especially employees with scarce skills and those who possess experience that is required for the Entity to fulfill its objectives. The Entity recognizes that in order for it to be able to retain staff, it is very important to create an environment that encourages staff not only to succeed in their jobs but also to grow and achieve their personal development goals and aspirations.

DESIGNATION	NUMBER	MALE	FEMALE	BLACK	WHITE	INDIAN
Board	7	4	3	6	1	-
CEO	1	1	-	1	-	-
CFO	1	-	1	1	-	-
Executive Managers	2	1	1	1	-	1
Company Sec	1	-	1	1	-	-
Managers	2	2	-	2	-	-
Contracts	1	-	1	1	-	-
Other staff	21	8	13	18	2	1
TOTAL STAFF	**36**	**16**	**20**	**31**	**3**	**2**

6 FINANCIAL PERFORMANCE AND RELATED INFORMATION

6.1 Chief Financial Officer's Report

Introduction

iLembe Management Development Enterprise (Pty) Ltd, trading as Enterprise iLembe, as an Entity of iLembe District Municipality (IDM), relies heavily on the operational grant that it receives from the district in order to run its daily operations. With the limited resources the Entity has, some of the objectives as set for the year ended 30 June 2023 have been met, however, an action plan has been developed to ensure that those projects are attended to in the next financial year. The Entity has managed, to a certain extent, to fulfil its objective and mandate as given, which is the provision of the Local Economic Development within the iLembe District, which includes the promotion of tourism and investment, this through several sectors of which has indicated some improvement from previously being impacted by COVID 19, KZN floods and July unrest experienced.

The funding sources currently available for the Entity includes allocations from IDM, government grants for various projects and interest earned from investments. Some of the grants were rolled over from the previous financial years to allow for the set projects to be completed.

Operating Results

Details of the operating results are included in the annual financial statements, which are part of this Annual Report. A summary of the results is as follows:

REVENUE	Actual 2023 R	Budget 2023 R	Variance 2023 %
Opening accumulated surplus	30 848 308	29 381 182	4.9%
Operating income for the year	44 366 481	49 215 665	-10%
Total	75 214 789	78 596 847	4.3%
EXPENDITURE			
Operating expenditure for the year	55 354 144	49 210 650	12%
Closing accumulated surplus	19 909 095	29 386 197	-32%
Total	73 747 762	78 596 847	-4%

An amount of R 11 151 970 was spent on projects during the 2022/23 financial year as follows:

Project Name	Expenditure 2022/23
Tourism IDM Grant	1 628 556
LED IDM Grant	1 657 806
IDM Development of SMMEs	3 550 207
COGTA YEP Grant	4 889
TIKZN One stop shop	101 000
EDTEA Kwa-Shushu Grant	554 099
Food and Beverage Grant	2 106 325
MICT SETA Grant	396 749
IDC Business Recovery Grant	1 100 195
KwaDukuza tourism exhibition	52 144
Totals	**11 151 970**

An amount of R0, 6 million pertaining to the previous financial years remains outstanding from the Department of Education. The amount has been impaired as it has been long outstanding with no payments, despite the effect made to recover the funds.

Unspent conditional grants

The following amounts with regards to conditional grants were unspent as at 30 June 2023:

Project Name	Unspent grants 30 June 2023
UIF Grant	987 618
TIKZN One stop shop	303 225
CoGTA YEP Grant	3 652
Food & Beverage Grant	387 675
Tourism – IDM Grant	800 116
LED – IDM Grant	65 194
Development of SMMEs - IDM	300 537
EDTEA Kwa-Shushu Grant	1 619 814
IDC Business recovery Grant	508 715
MICT SETA Grant	1 292 664
KwaDukuza tourism exhibition grant	17 088
Totals	**6 286 300**

The application for the roll-over has been submitted to the respective units and figures will be

confirmed as soon as unspent amounts are audited by Auditor-General South Africa.

Accumulated surplus

The accumulated surplus as at 30 June 2023 was R 19 909 095 (30 June 2022 was 30 848 408).

Cash and cash equivalents

As at 30 June 2023 the cash and cash equivalents balance were as follows:

Details	R
Cash at bank	2 340 168
Current Investments	13 972 426
TOTAL	**16 312 594**

Expression of appreciation

The contribution and collective effort from all the internal and external stakeholders were immensely impactful for the Entity in achieving its set goals.

It is in this spirit that I would like to extend appreciation to the Chairman of the Board, the Board Members, the Audit Committee, Internal Audit, the Chief Executive Officer, the Executive managers within the Entity, the finance staff and the rest of staff within the Entity for their support and assistance. Further, appreciation is also given to the Office of the Auditor-General, KZN Treasury and KZN CoGTA for their support and assistance in resolving issues that arise during our interactions.

Special recognitions of iLembe District Municipality, for entrusting and working together with us to fulfil our mandate as Enterprise iLembe.

H.S. Hakata

Chief Financial Officer

6.2 Report of the Audit Committee

To be provided at a later date.

6.3 Report of the Auditor-General

Annexure B

6.4 Audit Action Plan

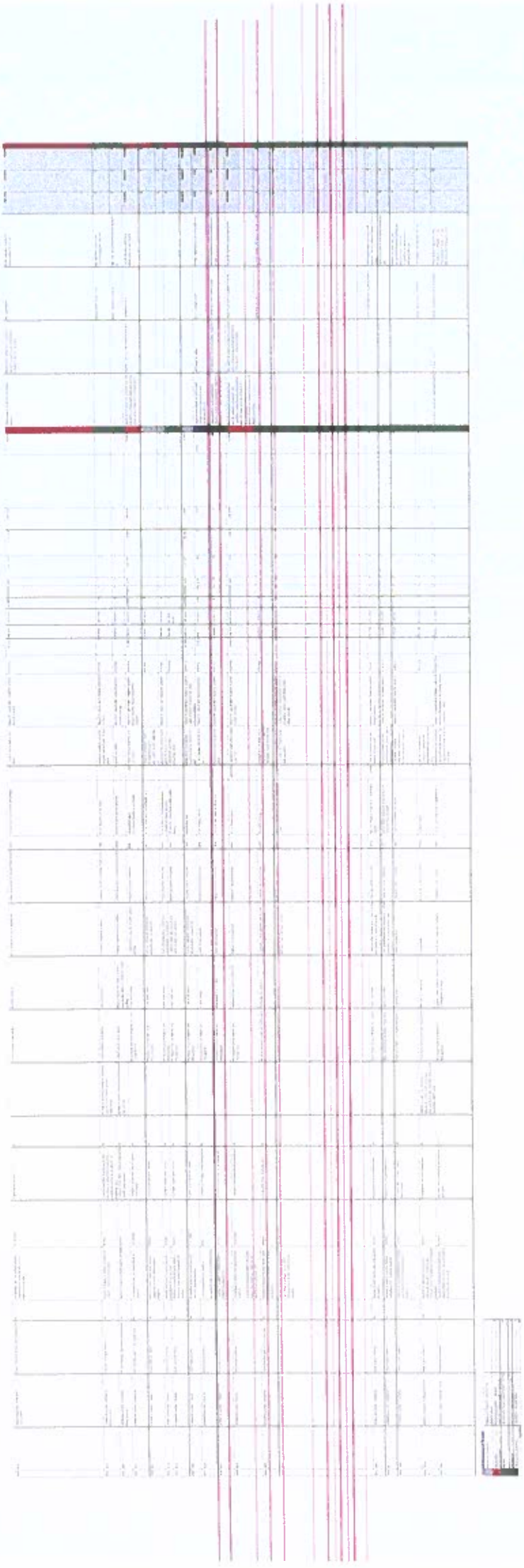
FINDINGS	ACTION TO ADDRESS / CORRECTIVE MEASURES
Inaccurate disclosure of number of meetings attended by the board members.	1.Develop a consolidated meeting schedule which includes a summary of all meetings attended (including ad hoc events). This will be used to update the number of meetings held on the AFS. 2. Written approval to be obtained from the Board Chairperson prior to any of the members attending any ad-hoc meetings which exceed the standard four meetings per year.
Inaccurate disclosure of amounts on the cash flow statement and the accompanying notes	Develop a standard template for the cashflow statement.
AOPO- Internal control deficiency	Workshop management on the implications of not reviewing supporting documents submitted.
Discrepancies between unspent grants trial balance amounts and the grant register/ AFS.	Transfer of the opening balance to the grant module on Munsoft.
Inadequate disclosure of the nature of the change in accounting estimate note and inaccurate disclosure of amounts on the prior period error note.	Submit the interim AFS for internal auditor review by 31 January 2024.
Discrepancies in amount disclosed for related party between Enterprise iLembe and iLembe District Municipality (IDM).	IDM funding to be removed as liability in the AFS for the interim AFS and will be reviewed by internal auditors.
Overstatement of contracted expenses for which an amount had been accounted for inclusive of vat in the general ledger.	Allocate an official to review the invoice capturing prior to payment.

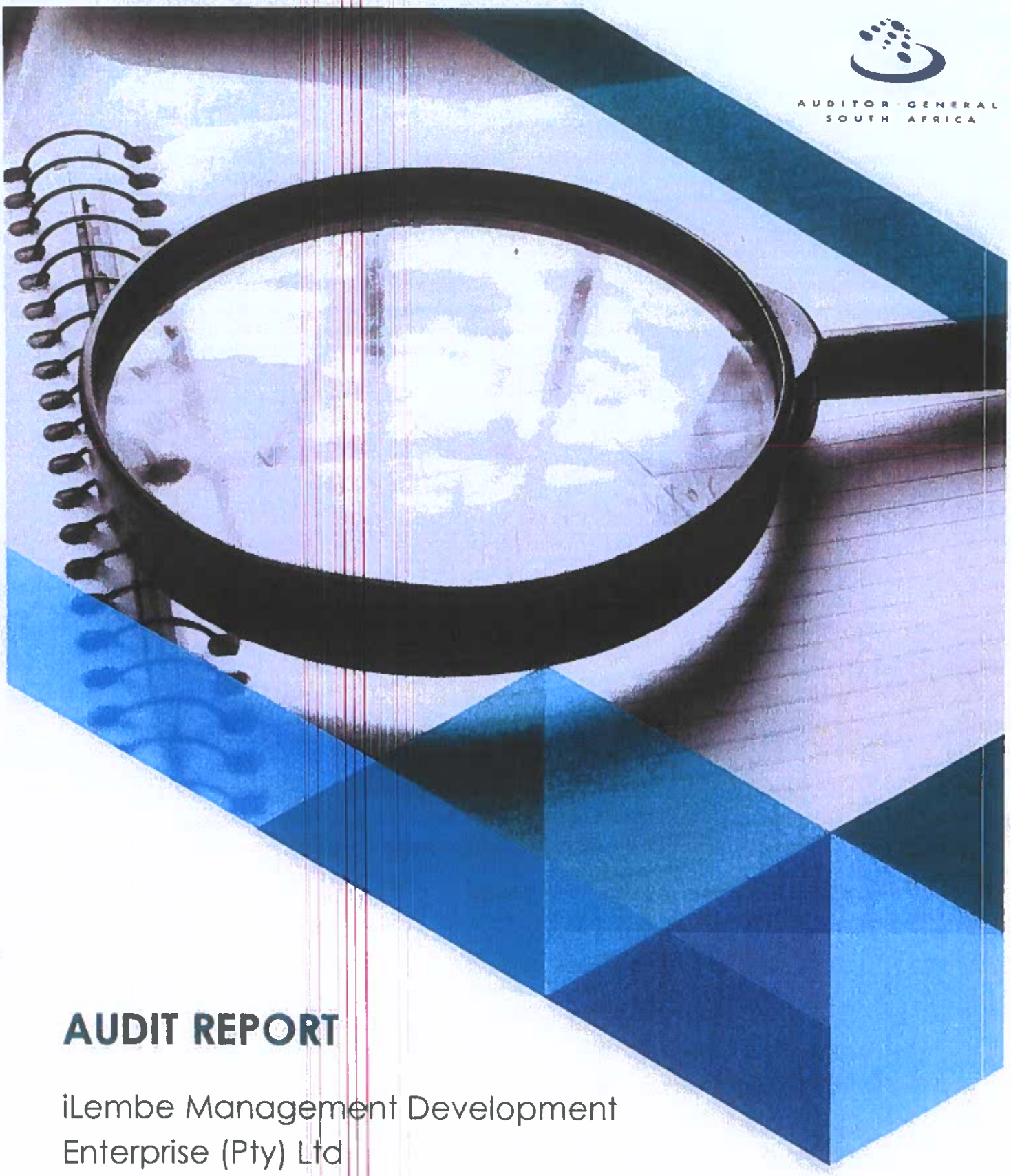
FINDINGS	ACTION TO ADDRESS / CORRECTIVE MEASURES
The bank balance as per annual financial statements does not agree to bank statement closing balance as at 30 June 2023 as the reconciling items were not adjusted for.	Process to close the credit card to be initiated with the bank as it is no longer required.
Management did not prevent fruitless & wasteful expenditure from being incurred which related to VDP process in the current year and the Value Added Tax (VAT) payable balance as per the Annual Financial Statements does not agree with South African Revenue Service's (SARS) records, the amounts related to prior years.	The Entity embarked on a clean up exercise which affected 2018 and 2019 VAT evaluation. This is underway and will be finalised in the next financial year.
Discrepancies noted during the review of the annual financial statements.	1. Monthly VAT reconciliation to be allocated to the internal officials. 2. Develop a templated to be used and monthly recons to be prepared monthly. 3. Implementation of the template from 01 July 2023 to current.

Part II – Audited Annual Financial Statements 2022/2023

The draft annual financial statements **(Annexure C)**







AUDITOR-GENERAL SOUTH AFRICA

AUDIT REPORT

iLembe Management Development Enterprise (Pty) Ltd

2022-23

Date: 30 November 2023

Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the council on iLembe Management Development Enterprise (Pty) Ltd

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the iLembe Management Development Enterprise (Pty) Ltd set out on pages 54 to 97, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the iLembe Management Development Enterprise (Pty) Ltd as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act no. 71 of 2008) (Companies Act).

Basis for opinion

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

4. 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.

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

Other matter

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

Unaudited disclosure notes

7. In terms of section 125(2)(e) of the MFMA, the entity is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not

form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA 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.

9. 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.

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

10. 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.

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

Report on the annual performance report

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

13. I selected the following material performance indicators related to Local Economic Development presented in the annual performance report for the year ended 30 June 2023. I selected those indicators that measure the municipal entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Number of new and existing small-scale farmers identified and supported by the Entity.
    - Number of new markets secured for capacitated farmers.
    - Number of hydroponic tunnels handed over to co-operatives.

- Number of tourism adverts/advertorials in relevant platforms.
- Number of Official Tourism Travel Guide for 2023/2024 developed.
- Percentage of annual increase of tourist to iLembe.
- Percentage implementation of the KwaShuShu Hotspring Project.
- Number of Business Confidence Index developed.
- Number of District Wide Incentive Scheme developed and adopted.
- Number of marketing platforms for investment promotion deadline.
- Number of one stop shops established.
- Number of impact assessment reports on iLembe incubator.
- Number of SMME and skills development programmes initiated. (FoodBev Project)
- Number of youths trained.
- Number of SMME and skills development programmes initiated. (MICT Project)
- Number of LED projects implemented. (Business incubator)
- Number of co-operatives/SMMEs trained on basic business management skills.
- Number of programmes implemented.
- Number of engagement sessions with local businesses.
- Number of feasibility studies for recycling projects conducted.
- Number of impact analysis reports prepared.

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

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipal entity's mandate and the achievement of its planned objectives.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

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

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

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over or under achievements.

Report on compliance with legislation

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

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

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

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

Annual financial statements

24. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

25. Material misstatements of current liabilities, disclosure items and the cash flow statement identified by the auditors in the submitted financial statement were subsequently corrected and/or the supporting records were provided, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

26. The accounting authority is responsible for the other 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 71 of 2008. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in development priority presented in the annual performance report that have been specifically reported on in this auditor's report.

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

28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in Local Economic Development presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. The other information I obtained prior to the date of this auditor's report is the directors' report. The audit committee's report is expected to be made available to me after 30 November 2023.

30. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Internal control deficiencies

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

33. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

34. The review of the annual financial statements was inadequate as material misstatements were identified which were subsequently corrected.

Auditor General

Pietermaritzburg

30 November 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipal entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipal entity 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.

Communication with those charged with governance

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.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure Sections 87(5)(b), 87(5)(d), 87(5)(d)(I), 87(5)(d)(iii), 87(6)(c), Sections 87(8), 88(1)(a), 90(1), 90(2)(a), 90(2)(b), 95(d), Sections 96(2)(a), 96(2)(b), 97(e), 97(f), 97(h), 97(i), 99(2)(a), Sections 99(2)(b), 99(2)(c), 99(2)(g), 102(1), 102(2)(a), Sections 112(1)(j), 116(2)(b), 116(2)(c)(ii), 122(1), 126(2)(b), Sections 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 172(3)(a), Section 172(3)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 73(1), 73(2), 75(1), 75(2)
MFMA: Municipal Investment Regulations, 2005	Regulations 3(2), 3(3), 5(4), 6, 6(8)(b), 7, 10(1), 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), Regulations 17(1)(a), 17(1)(b), 17(1)(c), 19(a), Regulations 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations 28(1)(a)(ii), 29(1)(a), 29(1)(b), 29(5)(a)(ii), Regulations 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), Regulations 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Section 93B(a), 93C(a)(iv)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)

Legislation	Sections or regulations
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), Regulations 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), Regulations 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Companies Act 71 of 2008	Sections 45(2), 45(3)(a)(ii), 45(3)(b)(i), 45(3)(b)(ii), 45(4), Sections 46(1)(a), 46(1)(b), 46(1)(c), 112(2)(a)

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD

TRADING AS ENTERPRISE ILEMBE

REGISTRATION NUMBER: 2006/032665/07

enterprise ilembe
ECONOMIC DEVELOPMENT AGENCY

ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

PREPARED BY: HLENGIWE HAKATA
CHIEF FINANCIAL OFFICER
ENTERPRISE iLEMBE

iLEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
REGISTRATION NUMBER: 2006/032665/07
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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iLEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
REGISTRATION NUMBER: 2006/032665/07
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

General Information

Country of Incorporation	South Africa
Legal form of Entity	Private Company Registered with the Companies Act of South Africa
Company Registration Number	2006/032665/07
Vat Registration Number	4610255624
Income Tax Reference Number	9355953150
Nature of business	Local Economic Development, Trade & Investment Promotion
Chief Executive Officer	Mr Linda Mncube
Chief Financial Officer	Ms Hlengiwe Hakata (since 1 February 2023)
Company Secretary	Ms Minenhle Mavuso (since 1 December 2022)
Directors	Mr Xolani Gumede - Chairperson of the Board Ms Ntokozo Mlaba - Deputy Chair of the Board Dr Thamsanqa Mbonambi Mr Ian Deetlefs Ms Noluthando Dlamini Ms Zodwa Msimang Mr Philani Gumede
Controlling Entity	iLembe District Municipality
Auditors	Auditor-General of South Africa
Attorneys	Panel of Services Providers
Bankers	First National Bank
Postal Address	P O Box 593 Ballito 4420
Physical Address	Sangweni Tourism Centre Cnr. Ballito Drive and Link Road Ballito 4420
Contact No.	032-9461256
Web Address	www.enterpriseilembe.co.za

List of abbreviations

The list below may be found within the annual financial statements and the explanations are as follows:

AG - Auditor-General of South Africa
APP - Annual Performance Plan
CEO - Chief Executive Officer
CFO - Chief Financial Officer
GRAP - Generally Recognised Accounting Practice
HR - Human Resources
IAS - International Accounting Standards
ICT - Information and Communication Technology
KPI - Key Performance Indicator
King (IV) - King Report on Corporate Governance
MEC - Member of the Executive Council
MTREF - Medium-Term Revenue and Expenditure Framework
MTSF - Medium-Term Strategic Framework
SARS - South African Revenue Services
SCM - Supply Chain Management
MFMA - Municipal Finance Management Act, No.56 of 2003
VAT - Value Added Tax
SDBIP - Service Delivery and Budget Implementation Plan
AFS - Annual Financial Statements
Enterprise iLembe - iLembe Management Development Enterprise
Board - Enterprise iLembe Board of Directors
IDM - iLembe District Municipality
LED - Local Economic Development
FAR - Fixed Assets Register
COGTA - Cooperative Governance and Traditional Affairs
YEP - Youth Enterprise Park
SETA - Sector Education and Training Authority
MICT - Media, Information and Communication Technologies
YEP - Youth Enterprise Park
UIF - Unemployment Insurance Fund
FNB - First National Bank
SLA - Service Level Agreement
MOA - Memorandum of Agreement
MOU - Memorandum of Understanding
RASET - Radical Agrarian Socio-Economic Transformation
EDTEA - Department of Economic Development, Tourism and Environmental Affairs
CoGTA - Department of Co-operative government and Traditional Affairs
SMME - Small, Medium and Micro Enterprises
SASA - South African Sugar Association
IP&M - Investment Promotion & Marketing
PAYE - Pay As You Earn
SAMWU - South African Municipal Workers' Union
WIP - Work in Progress
SALGA - South African Local Government Association

iLEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
REGISTRATION NUMBER: 2006/032665/07
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Chief Executive Officer's Responsibility and Approval

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

I am responsible for the preparation of the annual financial statements, set out on pages 8 to 46, in terms of the Company's Act No. 71 of 2008 as amended and section 126 (2) of the Municipal Finance Management Act of 2003, which I have signed on behalf of iLembe Management Development Enterprise (Pty) Ltd.

Linda Mncube
Chief Executive Officer

30/11/2023

Date

iLEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
REGISTRATION NUMBER: 2006/032665/07
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Directors' Responsibilities and Approval

The Board of Directors herein referred to as the "Directors" are required by the Municipal Finance Management Act (Act No. 56 of 2003) and the Companies Act (Act No. 71 of 2008 as amended) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related information. The auditors are responsible to report on the fair presentation of these statements. The financial statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Directors are also responsible for the company's systems of internal financial control. These are developed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately verify and maintain accountability of assets, and not absolute assurance as to the reliability of the financial statements and to adequately verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the year under review.

The annual financial statements have been prepared on the going concern basis. The Directors has adopted this basis of accounting after having made enquiries of management and given due consideration to information presented to the Board of Directors, including budgets and cash flow projections for the year ahead and key assumptions and accounting policies relating thereto. Accordingly, the Directors have no reason to believe that the municipal entity will not continue as a going concern in the year ahead.

To enable the Directors to meet these responsibilities, the Directors set standards of internal controls aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities with a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity.

All employees are required to maintain the highest ethical and integrity standards in ensuring that the municipal entity's business practices are conducted in a manner, which in all reasonable circumstances, is above reproach. The concept of reasonable assurance recognises that the control procedures should not exceed the expected benefits. The municipal entity maintains its internal control system through management review. Nothing has come to the attention of the Directors to indicate any breakdown in the functions of these internal controls during the year, which resulted in any material loss to the municipal entity. The Annual Financial Statements for the period ended 30 June 2023 and the reviews are in progress.

Xolani Gumede
Chairperson of the Board

30/11/2023

Date

iLEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
REGISTRATION NUMBER: 2006/032665/07
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Directors' Report

The following report is submitted in terms of section 30(3) of the Companies Act, 2008, for the period ended 30 June 2023.

General Review

The Municipal Entity was incorporated on 27 October 2008 and replaced the Ilembe Development Foundation which was incorporated on 8 November 2002 and commenced business operations on 1 July 2006. The change was necessary to comply with Section 93 of the Municipal Systems Act. Subject to this there has been no material change in the nature or conduct of the Municipal Entity's business during the period under review. The financial statements adequately disclose the results of the operations for the period under review and the state of the Municipal Entity's affairs for the period ended 30 June 2023.

1. Nature of Business

The Municipal Entity has been formed as a local economic development agency of the Ilembe District Municipality to promote economic growth. The Municipal Entity was formed in terms of the Municipal Systems Act No. 32 of 2000 and the Municipal Finance Management Act No. 56 of 2003.

2. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The entity is also currently able to meet its obligations as the assets exceed liabilities, with the cost coverage sitting at 2,19:1 and the current ratio at **1,37:1**. The number of days cash on hand is 66 days (norm is 30 days).

3. Material Agreement

None at this stage.

4. Financial results of the company

The annual financial statements on pages 9-44 set out fully the financial position and results of operations and cash flows of the Entity for the period ended 30 June 2023.

5. Subsequent Events

The Directors are not aware of any matter or circumstance arising since the end of the financial period under review that would impact on the fair presentation of the financial statements presented.

6. Share Capital

Issued share capital is 100 shares at the value of R1.00 each.

7. Dividends

No dividends have been proposed or declared during the year under review, nor are any recommended.

8. Directors

The Directors of the Entity during the year and to date of this report are as follows:

Name	Details
Mr. X Gumede - Board Chairperson	Appointed January 2021
Ms. N Mlaba - Board Deputy Chairperson	Appointed January 2021
Ms. N Dlamini	Appointed January 2021
Dr T Mbonambi	Appointed January 2021
Mr. I Deetlefs	Appointed January 2021
Ms. Z Msimang	Appointed October 2021
Mr. P Gumede	Appointed January 2022

Fees for a retainer and attendance at meetings totaling R623 580 (R687 453: 2022) were paid during the period under review. See note 18 of the Annual Financial Statements.

9. Economic Entity

As an Entity of the iLembe District Municipality, the following are applicable in terms of reporting structures:

- The Chairperson of the Finance Portfolio Committee - the Honourable Mayor of iLembe, Cllr T.P Shandu
- The Municipal Manager of iLembe District Municipality - Mr. S Mbhele
- The Chairperson of the Economic Development Portfolio Committee - Cllr H.L.B Makatha

10. Directors' interest in contracts

The Directors have declared interest in companies they are part of, but none that are linked to the Entity.

11. Corporate Governance

11.1 Board Meetings

The Board has two sub-committees, namely the LED and Investment Committee as well as the HR, Finance and Remuneration sub-committee. The Board is required to meet at least 4 times per annum in line with the Board Charter. The schedule below indicates the meetings held during the 2022/2023 financial year and attendance thereof.

Name	Board	LED and Investment	HR, Finance & Remuneration	Adhoc session / special events	Total meeting remunerate
Number of meetings	7	4	6		
Mr. X Gumede - Chairperson of the Board	7	4*	6	7	20
Ms. N Mlaba - Deputy Chairperson & Chairperson of HR, Finance & Remuneration	5*	4*	6*	0	0
Ms. N Dlamini	6	3	3	1	13
Dr T Mbonambi	6	3	4	6	19
Mr. I Deetlefs - Chairperson of LED & Investment	6	4	N/A	1	11
Ms. Z Msimang	5	4	N/A	1	10
Mr. P Gumede	6	N/A	5	0	11

** The board member attended the meeting however not remunerated for the attendance.*

11.2 Audit Committee Meetings

The Audit Committee currently comprises of external members and is required to meet at least 4 times per annum as per the MFMA. Additional meetings may be called for as the need arise. Four meetings were held in the period under review. Members' attendance at the meetings is listed below

Name	Number of Meetings Attended
Mr. Z. Zulu - Chairperson	4
Ms. S.B Dlungwane - Deputy Chairperson	4
Mr. B.M Mhlongo	4
*Mr. P.G.J Danube	3
**Mr. E Mulla	1

On the 1st of June 2022, five (5) new members of the Audit and Risk Committee were appointed with the following resignations noted in the period under review:

***E Mulla resigned in February 2023*
**P Dzanibe resigned in May 2023*

	Note	2023 R	2022 Restated R
ASSETS			
Current Assets		**21 640 941**	**22 412 570**
Non-current assets held for sale	33	355 970	0
Inventory	5	71 631	27 001
Trade and Other Receivables from Exchange Transactions	11	846 023	1 804 965
Trade and Other Receivables from Non-Exchange Transactions	11	4 054 722	197 595
Cash and Cash Equivalents	12	16 312 595	20 383 009
Non-current Assets		**12 540 951**	**20 641 139**
Property, Plant and Equipment	8	12 524 078	20 619 969
Intangible Assets	9	16 873	21 170
Total Assets		**34 181 892**	**43 053 709**
LIABILITIES			
Current Liabilities		**14 268 248**	**12 065 013**
Trade and Other Payables from Exchange Transactions	1	5 082 647	2 051 051
Vat Payable	4	271 537	699 534
Employee Benefits	2	2 491 919	2 295 028
Trade and Other Payables from Non-Exchange Transactions	3	6 286 300	6 816 268
Finance Lease Liability	6	135 842	203 132
Non-current Liabilities		***4,449***	***140,291***
Finance Lease Liability	6	4,449	140 291
Total Liabilities		**14 272 697**	**12 205 304**
NET ASSETS		**19 909 195**	**30 848 405**
NET ASSETS			
Accumulated Surplus		19 909 095	30 848 308
Issued Share Capital	10	100	100
Total Net Assets		**19 909 195**	**30 848 408**

iLEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2023
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

	Note	2023	2022 Restated
REVENUE		**R**	**R**
Revenue from exchange transactions			
Gains on actuarial valuation	2	245 000	0
Interest Received	13	1 248 383	513 965
Other income	15	1 470 947	792 909
Total Revenue from exchange transactions		**2 964 330**	**1 306 874**
Revenue from non-exchange transactions			
Transfers and Subsidies	14	41 312 983	38 655 767
Insurance refunds	15	89 168	11 065
Total Revenue from non-exchange transactions		**41 402 151**	**38 666 832**
Total Revenue		**44 366 481**	**39 973 706**
EXPENDITURE			
Loss on actuarial valuation	2	0	209 615
Depreciation, Amortisation & Impairment	7	1 885 898	7 610 373
Employee Related Costs	16	19 946 617	17 291 821
Board Fees	17	623 580	623 161
Contracted Services	19	8 302 596	5 878 737
General Expenses	20	10 253 552	6 855 996
Loss on debt impairment	24	1 077 227	327 546
Loss on asset disposal	24	13 264 674	188 622
Loss on obsolete stock	24	0	199 166
Total Expenditure		**55 354 144**	**39 185 037**
Surplus / (Deficit) for the year		**(10 987 663)**	**788 669**

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2023
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

	Note	Shares R	Accumulated Surplus/ (Deficit) R.	Total Net Assets R
Opening Balance 1 July 2021		**100**	**29 354 052**	**29 354 152**
Surplus for the year		0	1 058 098	**1 058 098**
Adjustments		0	(972 596)	**(972 596)**
Balance at 30 June 2022		**100**	**29 439 553**	**29 439 653**
Adjustments to opening balance	27	0	1 408 755	1 408 755
Restated Balance at 30 June 2022		**100**	**30 848 308**	**30 848 408**
Opening Balance 1 July 2022 -restated		**100**	**30 848 308**	**30 848 408**
Surplus for the year		0	**(10 987 663)**	**(10 987 663)**
Transfer from accumulated surplus			**48 451**	**48 451**
Balance at 30 June 2023		**100**	**19 909 095**	**19 909 195**

	Note	2023	2022 Restated
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts government and other		38 379 155	38 020 213
Cash paid to suppliers and employees		(36 370 484)	(29 568 955)
Cash generated/(utilised) from operations		2 008 671	8 451 258
Interest received		1 248 383	513 965
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	**3 257 054**	**8 965 223**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7 124 336)	(1 648 471)
Purchase of Intangible assets		0	(21 500)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(7 124 336)**	**(1 669 971)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease installments		(203 132)	(386 739)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(203 132)**	**(386 739)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(4 070 413)**	**6 908 513**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**20 383 009**	**13 474 496**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	**16 312 596**	**20 383 009**

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Description	2022/2023						Comments
	Approved Budget R	Adjustment Budget R	Actual outcome June 2023 R	YTD Budget June 2023 R	Variance R	% Variance	Explanation of material variances over 10%
Financial Position							
Current assets:							
Receivables from exchange transactions	2 349 142	2 349 142	846 023	2 349 142	(1 503 119)	-64%	An increase in provision doubtful debt of long outstanding debtors were recognised in the current year
Receivables from non-exchange transactions	16 634 199	16 811 179	4 054 722	16 811 179	(12 756 457)	-76%	Grants were invoiced on different phases
Cash and Cash Equivalents	20 447 678	20 447 678	16 312 595	20 447 678	(4 135 083)	-20%	IDM grant for the month of June was paid on the 1 July 2023
Inventory	27 001	27 001	71 631	27 001	44 630	165%	Ceased operations at the winery in February 2023 and there after the wine was not being sold
Non-current assets							
Property, plant and equipment	35 685 996	35 665 996	12 524 078	35 665 996	(23 141 918)	-65%	There were tunnels and completed YEP projects that were transferred to recipients
Other non-current assets	52 188	52 188	355 970	52 188	303 782	582%	Wine equipment was approved for disposal and needed to be recognised accordingly
Intangible Assets	20 000	16 873	16 873	16 873	0	0%	Immaterial
Total Assets	**75 216 204**	**75 370 057**	**34 181 892**	**75 370 057**	**(41 188 165)**		
Current liabilities							
Payables from exchange transactions	(14 069 077)	(14 069 077)	(5 082 647)	(14 069 077)	8 986 431	-64%	Due to reallocation of grants to non-exchange payable
Employee Benefits	(1 348 033)	(2 504 097)	(2 491 919)	(2 504 097)	12 178	0%	Immaterial
Unspent conditional grants and receipts	(408 661)	(408 661)	(6 286 300)	(408 661)	(5 877 639)	1438%	There were delays experienced with some of the projects which delayed the spending from the grants and no all the additional funding received in the current year was spent
Vat Payable	(2 288 744)	(2 288 744)	(271 537)	(2 288 744)	2 017 207	-88%	The refunds and the reallocation of savings to the long outstanding debt and current debt has been paid.
Finance Lease Liability	0	0	(135 842)	0	(135 842)	100%	Finance lease correction for the cellphones and tablets that had to be capitalised
Non-current liabilities							
Finance Lease Liability	0	0	(4 449)	0	(4 449)	100%	Finance lease correction for the cellphones and tablets that had to be capitalised
Total Liabilities	**(18 114 515)**	**(19 270 579)**	**(14 272 694)**	**(19 270 579)**	**4 997 885**		

Description	2022/2023						Comments
	Approved Budget R	Adjustment Budget R	Actual outcome June 2023 R	YTD Budget June 2023 R	Variance R	% Variance	Explanation of material variances over 10%
Net Assets	**93 330 719**	**94 640 636**	**48 454 586**	**94 640 636**	**(46 186 050)**		
Accumulated surplus	(29 444 668)	(29 444 668)	(19 909 095)	(29 444 668)	9 535 573	-32%	movement is from the income and expenditure recognised
Share capital held by Municipality	100	100	100	100	0	0%	immaterial
Total Net Assets	**(29 444 568)**	**(29 444 568)**	**(19 908 995)**	**(29 444 568)**	**9 535 573**		
Financial Performance							
Interest on investments	390 800	990 000	1 248 383	990 000	258 383	26%	Funds that were reinvested
Government grants and subsidies	46 467 782	47 595 788	41 312 983	47 595 788	(6 282 805)	-13%	Expenditure delays relating to projects
Other income	227 642	629 878	1 470 947	629 878	841 069	134%	Completed phase 1 of the project and the management fees was recognised
Insurance refunds	0	0	89 168	0	89 168	100%	The investigation was concluded during the financial year
Gain of actuarial valuation	0	0	245 000	0	0	100%	There were no long service payout in the current year
Total Revenue	**47 086 225**	**49 215 666**	**44 366 481**	**49 215 666**	**(5 094 185)**		
Employee Related Costs	21 245 526	20 573 562	19 946 617	20 573 562	(626 945)	-3%	Immaterial
Directors' fees	903 900	803 900	623 580	803 900	(180 320)	-22%	Strategic plan was scheduled for two days and later reduced to one day
Depreciation, Amortization & Impairment	2 076 157	1 783 103	1 885 898	1 783 103	102 795	6%	Immaterial
General expenses	16 671 922	13 493 874	10 253 552	13 381 875	(3 128 323)	-23%	There were delays in expenditure due to the project delays
Contracted services	5 406 060	12 148 246	8 302 596	12 260 246	(3 957 650)	-32%	There were delays in expenditure due to the project delays
Loss on disposal of assets	0	0	13 264 674	0	13 264 674	100%	Transfer of the assets to the beneficiaries
Loss/(Gain) on actuarial valuation	0	0	(245 000)	0	(245 000)	100%	Gain on valuations was not anticipated
Loss on debt impairment	408 000	408 000	1 077 227	408 000	669 227	164%	Debtors long outstanding impaired
Total Expenditure	**46 711 565**	**49 210 685**	**55 109 144**	**49 210 686**	**5 898 458**		
Surplus/(Deficit) for the year	**374 660**	**4 981**	**(10 742 663)**	**4 980**	**(10 992 643)**		
Statement of changes in net assets							
Balance as at 1 July 2022	30 848 408	22 260 540	30 848 408	22 260 540	8 587 868	39%	Budget was below the actual opening balance
Correction Prior Year Period	0	0	48 451	0	48 451	100%	Prior period errors were not anticipated The prior period error is detailed in note 32
Surplus/(Deficit) for the year	374 660	4 012 062	(10 987 663)	4 012 062	(14 999 725)	-374%	Tunnels and the YEP project were transferred
Balance as at 30 June 2023	**31 223 068**	**26 272 602**	**19 909 195**	**26 272 602**	**(6 363 407)**		

Description	2022/2023						Comments
	Approved Budget R	Adjustment Budget R	Actual outcome June 2023 R	YTD Budget June 2023 R	Variance R	% Variance	Explanation of material variances over 10%
Cash Flows							
Receipts	47 086 225	49 215 665	38 379 155	49 215 665	(10 836 510)	-22%	IDM grant monthly payment was received after year-end
Payments	(46 311 564)	(49 210 650)	(36 370 484)	(49 210 650)	12 840 166	-26%	There were delays in expenditure due to the project delays
Net cash flows from operating activities	774 661	5 015	2 008 671	5 015	2 003 656		
Net cash flows from investing activities	(7 055 000)	(8 116 450)	(7 124 336)	(8 116 450)	992 114	-12%	Change due to the acquisition of capital assets
Net cash flows from financing activities	0	0	(203 132)	0	(203 132)	100%	The finance charges for the cellphones that were being capitalised for the first time
Cash/cash equivalents at the beginning of the year	20 383 008	20 383 008	20 383 009	20 383 008	1	0%	Immaterial
Cash/cash equivalents as at 30 June 2023	**14 102 669**	**12 271 573**	**15 064 212**	**12 271 573**	**2 792 639**		

The budget is approved on an accrual basis by nature classification. The approved budgets cover the period 1 July 2022 to 30 June 2023

The budget and accounting bases are the same as both are on the accrual basis. The financial statements are prepared using a classification of the nature of expenses in the statement of financial performance

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

1 BASIS OF PREPARATION

1.1 STATEMENT OF COMPLIANCE

These annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act. (Act No 56 of 2003).

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated.

1.2 BASIS OF MEASUREMENT

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

1.3 FUNCTIONAL AND PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipal entity. All financial information has been rounded to the nearest Rand.

1.4 OFFSETTING

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the municipal entity has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

1.5 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipal entity will continue to operate as a going concern for at least the next 12 months. Management has determined that there is no material uncertainty that casts doubt on the Entity's ability to continue as a going concern. The Entity is also currently able to meet its obligations as the assets exceed liabilities, with the cost coverage sitting at 2,19:1 and the current ratio at 1,37:1. The number of days cash on hand is 66 days (norm is 30 days).

1.6 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future.

1.7 COMPARATIVE INFORMATION

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations 2009. The budgeted figures are those approved by the Board at the beginning of the financial year as well as during the adjustments budget process following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2022 to 30 June 2023.

A comparative of actual to budget amounts are reported in Statement of Comparison of Budget and Actual amounts. Explanatory notes are also provided in the case of over and/or under spending on line items where it is found to be material. In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.8 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE

The following GRAP standards have been issued and are effective and have been adopted by the municipal entity.

GRAP 20 Related Party Disclosure - effective 01 April 2019
GRAP 32 Service Concession Arrangements Grantor: None - effective 01 April 2019
GRAP 108 Statutory Receivables - effective 01 April 2019
GRAP 109 Accounting by Principals and Agents - effective 01 April 2019
IGRAP 17 Interpretation of the Standard of GRAP on Service Concession Arrangements where a Grantor controls a significant residual interest in an assets - effective 01 April 2019
IGRAP 18 on Recognition and Derecognition of Land - effective 01 April 2019
Directive 12 on the selection of an appropriate reporting framework by public entities - effective 01 April 2018
IGRAP 19 Liabilities to pay levies - effective 01 April 2019
GRAP 18 on Segment Reporting - already effective
GRAP 34 on Separate Financial Statements - effective 01 April 2020
GRAP 35 on Consolidated Financial Statements - effective 01 April 2020
GRAP 100 on Discontinued Operations - effective 01 April 2020
GRAP 110 on Living and Non-Living Resources - effective 01 April 2020
IGRAP 20 on Adjustments to Revenue (and related amendments to IGRAP 1) - newly effective

The impact of the application of these standards on the municipal entity's annual financial statements is as follows:
There is no expected impact on the following standards at this stage:
GRAP 32, IGRAP 17, IGRAP 18, Directive 12, IGRAP 19, GRAP 34, GRAP 35, GRAP 36, GRAP 37, GRAP 38, GRAP 110

GRAP 20 - Already used as a guideline for accounting policies
GRAP 108 - No changes expected to recognition and measurement, but additional disclosures and separate classification in the notes will be done on adoption where applicable.

GRAP 109 - No changes expected to recognition and measurement, but additional disclosures in the notes will be done on adoption where applicable.

GRAP 18 - There is no expected impact however, this may change in the future
IGRAP 20 - The related amendments have been noted and will be implemented accordingly.

2 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies had been applied consistently during the current and previous reporting as set out in the note 1.2.

2.1 PROPERTY, PLANT AND EQUIPMENT

2.1.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipal entity. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

Where an asset is acquired by the municipal entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipal entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.1.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipal Entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.1.3 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components

Furniture, machinery and equipment	5-9 years
Manufacturing Plant	5-10 years
Computer equipment	2 -9 years
Municipal Buildings	30 years
Motor Vehicles	5 years

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance

The municipal entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance

2.1.4 DERECOGNITION

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

2.1.5 LEASED ASSETS

Leases in terms of which the municipal entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases. Upon initial recognition of assets leased under finance leases, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The municipal entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipal entity and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipal entity intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipal entity has the resources to complete the project, and
- it is probable that the municipal entity will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost

Where an intangible asset is acquired by the Municipal Entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software and websites	5 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The Municipal Entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 NON- CURRENT ASSETS HELD FOR SALE

4.1 INITIAL RECOGNITION

A non-current asset or disposal group whose carrying amount will be realised through a sale transaction rather than continuing use, is classified as held for sale. The asset must be available for immediate sale in its current condition, subject to usual terms that are customary for the sales of such assets. An asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

4.2 DERECOGNITION

Non-current assets held for sale are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an non-current asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

5 INVENTORIES

5.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, excluding taxes, transport costs and any other costs in bringing inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

5.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.
The basis of allocating cost to inventory items is the first in first out method.

6 FINANCIAL INSTRUMENTS

6.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value. The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when the entity becomes a party to the contractual provisions of this instrument.

6.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities are measured either at fair value or amortised cost or cost.

6.3 INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

6.4 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

6.5 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

6.6 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipal entity categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

7 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority, it is treated as a receivable, if it meets the definition and the recognition criteria of an asset, in the statement of financial position until it is recovered or written off as irrecoverable.

8 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipal Entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority, it is treated as a receivable, if it meets the definition and the recognition criteria of an asset, in the statement of financial position until it is recovered or written off as irrecoverable.

9 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority, it is treated as a receivable, if it meets the definition and the recognition criteria of an asset, in the statement of financial position until it is recovered or written off as irrecoverable.

10 PROVISIONS

Provisions are recognised when the municipal entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipal entity does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipal entity has a detailed formal plan for the restructuring identifying at least
- the business or part of a business concerned,
- the principal locations affected,
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken,
- when the plan will be implemented, and

(b) The municipal entity has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

10 REVENUE

10.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipal entity directly in return for services rendered / goods sold the value of which approximates the consideration received or receivable

Recognition
Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer

Revenue arising out of situations where the municipal entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services

Measurement
Monetary arising out of a contractual agreement, such as cash and receivables are initially measured at fair value on acquisition date

10.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipal entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipal entity. Where public contributions have been received but the municipal entity has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipal entity

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain

10.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

11 VALUE ADDED TAX (VAT)

The municipal entity accounts for VAT on the cash basis. The municipal entity is liable to account for VAT at the standard rate 15% in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or is out of scope for VAT purposes. The municipal entity accounts for VAT on a monthly basis.

12 INCOME TAX

The municipal entity is registered for income tax purposes and is liable for income tax at the corporate rate of 28%. Income tax returns are up to date as at 30 June 2022. Current year tax return will be submitted by due date

13 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control; or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. The parent municipality as the Shareholder of the entity holding 100% shares is disclosed on the related parties note to the financial statements because of the nature of the transactions. Amounts are disclosed accordingly

14 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements.

15 CAPITAL COMMITMENTS AND CONTINGENCIES

Items are classified as commitments where the municipal entity commits itself to future transactions that will normally result in the outflow of resource. These are capital commitments and contingencies that are not recognised in the statement of financial position as a liability already included in the disclosure notes of the annual financial statements where applicable.

16 IMPAIRMENT OF ASSETS

16.1 Recognition

The municipal entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipal entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipal entity also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period

16.2 Measurement

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

16.3 Reversal of Impairment

The municipal entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

17 EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past service or performance and the obligation can be estimated reliably.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the entity expects to pay in exchange for that service and had accumulated at the reporting date. This includes long service awards and leave provision.

18 STATUTORY RECEIVABLES

18.1 INITIAL RECOGNITION

Statutory receivables are measured initially at their transaction amount, using the prescripts of legislation, regulations or an equivalent. The transaction amount is adjusted in subsequent reporting periods to accrue for any interest or other charges that an entity levies (if required or permitted to do so in legislation or similar means) and, to account for any impairment losses or any amounts derecognised, for example, the settlement of amounts owing by a debtor.

18.2 SUBSEQUENT MEASUREMENT

An entity shall measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
(a) interest or other charges that may have accrued on the receivable (where applicable);
(b) impairment losses; and
(c) amounts derecognised

19 SHARE CAPITAL

Share capital represents the nominal value of shares that have been issued. iLembe District Municipality holds 100% shares valued at R100.

Retained profit includes all current and prior period retained profits.

20 BUDGETING PRINCIPLES

The original and approved budget is the initial approved budget for the budget period. It means the expenditure authority derived from laws, appropriation bills, government ordinances and other decisions related to the anticipated revenue or receipts for the budgetary period. The budget, if necessary, may be adjusted in line withe section 87 (6) of the MFMA.

The budget shall be financed from the following sources of financing:

(i) Grants and subsidies shall be based on grants and subsidies allocated by iLembe District Municipality and any other donor organisations plus all other subsidies received by Entity.

(ii) The budget for return on investment shall be in accordance with Investment policy of the Entity.

(iii) All other income items will be budgeted for based on the actual income received in the preceding year and the percentage growth as determined by the Chief Financial Officer for a particular budget year.

National Treasury issues circulars and guidelines before every financial year budgeting process commences which are followed together with the MFMA in producing final budgets.

21 PROVISIONS

A provision is a liability of uncertain timing or amount. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities. Examples of provisions may include: warranty obligations; legal or constructive obligations to clean up contaminated land or restore facilities; and obligations caused by a retailer's policy to make refunds to customers.

An entity recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. A provision is measured at the amount that the entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. The Entity has made provisions where applicable.

22 Finance Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

Initial recognition

The leased asset should be recognised at lower of the fair value of the leased property or the present value of the future minimum lease payments. The present value of the future minimum lease payments is discounted using the government lending rate. The entity recognises the leased asset and finance lease liability are these accounts are not offset against each other in the financial statements. The current and non-current lease liabilities, have been distinguished.

Subsequent measurement

Depreciable leased assets under finance leases recognised will give rise to a depreciation / amortisation expense. The depreciation / amortisation policy should be established in accordance with GRAP 17 – Property, Plant and Equipment and GRAP 31 – Intangible Assets. Where it is reasonably certain that the lessee will obtain ownership at the end of the lease term, the asset will be depreciated / amortised over the same period, i e. useful life, as for similar assets that are owned, as per the entity's depreciation / amortisation policy. In all other instances, the asset will be depreciated / amortised over the shorter of the lease term or its useful life.

The subsequent measurement of the leased asset should be consistent with the applicable standard of GRAP. Where applicable, the entity should assess whether the asset has become impaired, by applying the relevant impairment tests in accordance with the standards of GRAP on impairment of assets. An entity should apportion the minimum lease payments between finance charge and settlement of the outstanding liability, i.e. capital portion. The finance charge should be allocated to each period during the lease term, so that a constant periodic rate of interest on the balance of the liability can be produced.

23 Prior period error

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

(a) was available when financial statements for those periods were authorised for issue; and

(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

The prior period error is applied retrospectively. The entity has selected and applied its accounting policies consistently for similar transactions, other events and conditions, unless a Standard of GRAP specifically requires or permits categorisation of items for which different accounting policies may be appropriate.

24 Change in accounting estimate

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. A change in accounting estimate has been applied prospectively.The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience, eg the asset that have reached it useful life and are still in use.The effect of a change in an accounting estimate, other than a change to which paragraph .39 applies, shall be recognised prospectively by including it in surplus or deficit in:

(a) the period of the change, if the change affects that period only; or

(b) the period of the change and future periods, if the change affects both.

The extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

	2023 R	2022 Restated R

1 PAYABLES FROM EXCHANGE TRANSACTIONS

1.1 Payables		
Trade Payables	1 231 496	939 599
Retentions	688 547	337 245
Creditor Accruals	3 038 422	684 434
Payroll Creditors	124 182	152 850
Total Creditors	**5 082 647**	**2 114 129**

Reconciliation	Trade Payable	Retention	Creditors Accruals	Payroll creditors
Opening	939 599	337 245	684 434	152 850
Adjustment-Prior period error adjustment			63 078	
Movement	291 897	351 302	2 353 988	(28 669)
Closing	**1 231 496**	**688 547**	**3 038 422**	**124 182**

Retentions in the opening balance relate to the amounts withheld in relation to training service providers for the UIF project until the learner certificates are issued. These certificates have not been received due to delays by SETAs as advised by the Training Providers. The retention in the current year relates to the amount withheld from the service provider for the office renovation project.

2 EMPLOYEE BENEFITS

2.1 Provision for Leave		
Opening balance	1 348 029	1 644 056
Movement	200 891	(296 027)
Closing Balance	**1 548 919**	**1 348 029**

2.2 Long Service Awards		
Opening balance	947 000	759 000
Current service cost	125 000	97 000
Interest cost	116 000	84 000
Benefits paid	0	(202 615)
Actuarial loss/(gain)	(245 000)	209 615
Closing Balance	**943 000**	**947 000**

Total Employee Benefits	**2 491 919**	**2 295 029**

The leave provision is calculated based on the number of leave days available for each employee at the end of the reporting period. This is based on the salary cost per day based on the number of working days and monthly salary. 75% of the leave provision is cash backed as per the approved reserves policy.

Long service awards are disclosed as per the Actuarial valuation report produced by valuers at the end of the reporting period These are tested against the Entity data of employees at the end of the reporting period

3 PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Unspent Grants and Receipts		
UIF Grant	987 618	987 618
TIKZN One stop shop	303 225	0
COGTA YEP Grant	3 652	8 541
Food and Beverage Grant	387 675	0
Tourism IDM Grant	800 116	297 860
LED Grant	65 194	0
Development of SMMEs	300 540	50 013
EDTEA Kwashushu Grant	1 619 814	2 173 913
IDC Business Recovery Grant	508 715	1 608 910
MICT SETA Grant	1 292 664	1 689 413
KwaDukuza tourism exhibition	17 088	0
Total Grants and Receipts	**6 286 300**	**6 816 268**

	2023 R	2022 Restated R

The decrease in unspent grants from the last financial year is as a result of less grant funding allocated to the entity during the 2022/2023 financial year. Note 15 provides further details.

4 VALUE ADDED TAXATION

Vat Payable		
Opening	2,153,880	(392,346)
Adjustment-Correction of prior period error	(1,454,346)	0
Restated openning balance	**699,534**	(392,346)
Movement	427,997	(2,546,226)
Closing	271,537	2 153 880
Net VAT payable	**271,537**	**2,153,880**

5 INVENTORY

Opening Balance	27 001	269 673
Adjustment to opening balance - old stock	0	(780)
Adjusted Opening Balance	**27 001**	**268 893**
Add: Current Year Acquisitions	198 590	0
Less: Sales	(153 960)	(42 726)
Less: Obsolete Stock	0	(199 165)
Balance as at year end	**71 630**	**27 001**

Inventory is classified into one class. It comprises of wine purchased for resale. No obsolete stock was realised during this financial year.

6 FINANCE LEASE LIABILITY

Minimum lease payments due		
- within one year	142 764	228 931
- in second to fifth year inclusive	4,487	147 252
less: future finance charges	(6 961)	(32 759)
Present value of minimum lease payments	**140 291**	**343 423**
Present value of minimum lease payments due		
- within one year	135 842	203 132
- in second to fifth year inclusive	4,448	140 291
	140 290	**343 423**
Non-current liabilities	4,449	140 291
Current liabilities	135 842	203 132
	140 291	**343 423**

7 DEPRECIATION & IMPAIRMENT

Depreciation	1 843 520	1 811 859
Amortisation	4 298	330
Impairment	38 081	5 709 229
	1 885 898	**7 521 418**

8 PROPERTY, PLANT & EQUIPMENT

Reconciliation of Carrying Value 2022/2023

	OTHER ASSETS					
	Motor Vehicles	Municipal Buildings	Manufacturing Plant	Furniture and Equipment/Machinery	Computer Equipment	Total
		R	R	R	R	R
Carrying Values at 1 July 2022	0	1 116 080	6 882 486	6 524 481	6 096 922	20 619 969
Cost	0	1 411 946	18 296 601	2 815 879	1 316 755	23 841 181
WIP	0	0	0	5 208 851	5 221 181	10 430 032
Adjustments	0	0	0	0	234 754	234 754
Accumulated depreciation and impairment	0	(295 866)	(11 414 115)	(1 500 249)	(675 767)	(13 885 997)
Depreciation	(67 818)	(49 832)	(1 010 623)	(273 561)	(441 686)	(1 843 520)
WIP Acquisitions	0	3 847 840	0	25 480	0	3 873 320
Acquisitions	1 548 782	0	0	553 051	1 149 183	3 251 016
WIP Transfers/ write-off	0	0	0	(5 234 331)	(5 221 181)	(10 455 511)
Impairment	0	(38 081)	0	0	0	(38 081)
Impairment reversal	0	0	282 017	0	0	282 017
Carrying Value of disposals	(502 132)	0	(2 199 624)	(363 717)	(99 660)	(3 165 132)
Cost	516 261	0	7 903 198	1 314 436	428 129	10 162 024
Accumulated depreciation	(14 129)	0	(5 703 575)	(950 720)	(328 469)	(6 996 892)
Carrying Values at 30 June 2023	978 833	4 876 007	3 954 256	1 231 403	1 483 579	12 524 078
Cost	1 032 521	1 411 946	10 393 403	2 054 494	2 272 563	17 164 927
WIP	0	3 847 840	-	0	0	3 847 840
Accumulated depreciation and impairment	(53 689)	(383 779)	(6 439 147)	(823 090)	(788 984)	(8 488 690)

Included in the carrying value are assets under construction as follows:

Biodiesel Equipment (Manufacturing Plant) - The equipment was bought between the 2010/2011 and the 2011/2012 financial years as part of the biodiesel project funded by the department of COGTA where the idea was to produce diesel using the moringa plant. The plant dried out during the drought season that affected the district at that time and was subsequently written-off during the 2015/2016 financial year. The Entity made a submission to COGTA requesting the project to be written-off and the equipment channeled to a new project under Biomass - which was granted. The commissioning of the biomass project was done during the 2020/2021 financial year but it has since been established that the equipment will be of no use to the project due to the ageing and unusable state of the equipment which has since transformed due to technology advances. A valuator was engaged in this regard and the Board subsequently approved the write-off

Broadband (Computer Equipment) - The broadband project is also a project that happened between the 2010/11 and 2011/12 financial years, whereby the ICT infrastructure was installed (incl. fibre optic cables). It has since been established that the equipment will be of no use due to technology advancement and Board subsequently approved the write-off

Disposal

Youth Enterprise Park - COGTA approved an amount of R6m for the establishment of the Youth Enterprise Park (YEP) - R1m for feasibility and R5m for construction. This project was completed during the 2021/2022 financial year and the occupation certificate was received and has been transferred to Mandeni Municipality.

The disposal amount under WIP include winery equipment that has ben disclosed in non-current assets held for sale for the value of R355 970.14 During the financial year an impairment reversal was realised as the tunnel were repaired to normal functional state and this resulted in R282 017 reversal of impairment that was previous recognised

Reconciliation of Carrying Value 2021/2022	Motor Vehicles - Leases	Municipal Buildings	Manufacturing Plant	Furniture and Equipment/Machinery	Computer Equipment	Total
	R	R	R	R	R	R
Carrying Values at 1 July 2021	**340 314**	**1 151 727**	**13 676 311**	**5 443 050**	**5 835 057**	**26 446 458**
Cost	3 079 231	1 398 476	18 372 002	2 821 424	1 084 356	26 755 489
WIP	0	0	5 777 329	3 942 642	5 221 181	14 941 152
Accumulated depreciation	(2 738 917)	(246 749)	(10 473 020)	(1 321 016)	(470 480)	(15 250 182)
Depreciation	(229 066)	(49 117)	(1 016 435)	(257 184)	(260 057)	(1 811 859)
WIP Acquisitions	0	0	0	1 266 209	0	1 266 209
Acquisitions	0	13 470	0	77 815	290 977	382 262
WIP Impairment of assets	0	0	(5 709 229)	0	0	(5 709 229)
WIP disposal	0	0	(68 100)	0	0	(68 100)
Carrying Value of disposals	(111 248)	0	(61)	(5 409)	(3 811)	(120 529)
Cost	3 079 231	0	75 401	83 360	58 577	3 296 569
Accumulated depreciation	(2 967 983)	0	(75 340)	(77 951)	(54 766)	(3 176 040)
Carrying Values at 30 June 2022	**0**	**1 116 080**	**6 882 486**	**6 524 481**	**6 096 920**	**20 619 957**
Cost	0	1 411 946	18 296 601	2 815 879	1 316 756	23 841 182
WIP	0	0	0	5 208 851	5 221 181	10 430 032
Adjustment	0	0	0	0	234 754	234 745
Accumulated depreciation	0	(295 866)	(11 414 115)	(1 500 249)	(675 771)	(13 886 001)

9 INTANGIBLE ASSETS

Reconciliation of Carrying Value 2022/2023

The intangible assets consists of computer software

	Computer Software R	Total R
Carrying Values at 1 July 2022	**21 170**	**21 170**
Cost	21 500	21 500
Accumulated amortisation	(330)	(330)
Acquisitions		
Amortisation	(4 298)	(4 298)
Carrying Values at 30 June 2023	**16 873**	**16 873**
Cost	21 500	21 500
Accumulated amortisation	(4 627)	(4 627)

Reconciliation of Carrying Value 2020/2021

The intangible assets consists of computer software

	Computer Software R	Total R
Carrying Values at 1 July 2022	**0**	**0**
Cost	0	21 500
Accumulated amortisation	0	(330)
Acquisitions	21 500	21 500
Amortisation	(330)	(330)
Carrying Values at 30 June 2023	**21 170**	**21 170**
Cost	21 500	21 500
Accumulated amortisation	(330)	(330)

	2023 R	2022 Restated R

10 ISSUED SHARE CAPITAL

Name of company
Lembe District Municipality

Carrying amount	100	100
% Holding	100%	100%

Ordinary par value shares 100 @ R1 each

11 RECEIVABLES

11.1 Receivables from Exchange Transactions		
Provincial Department of Education	560 566	560 566
Phambili Energy	2 593 269	2 439 014
DeCaju	902 750	902 750
Farley Farm	266 000	266 000
Other debtors	9 789	45 758
Provision for debt impairment	(3 486 350)	(2 409 123)
Total Receivables from Exchange Transactions	**846 023**	**1 804 965**

	DOE	Phambili energy	DeCaju	Farley Farm	Other debtors
Opening	560 566	2 439 014	902 750	266 000	45 758
Movement	0	154 255	0	0	(35 969)
Provision of doubtful debt	(560 566)	(1 757 034)	(902 750)	(266 000)	0
Closing	**560 566**	**2 593 269**	**902 750**	**266 000**	**9 789**

Provision for Doubtful debt		
Opening	2 409 123	2 137 225
Movement	1 077 227	271 898
Closing	**3 486 350**	**2 409 123**
11.2 Receivables from Non-Exchange Transactions		
iLembe District Municipality	3 771 997	0
Prepayments	105 745	20 615
Deposits	176 980	176 980
Total Receivables from non-exchange transactions	**4 054 722**	**197 595**
Total Receivables	**4 900 745**	**2 002 560**

	IDM	Prepayment	Deposits	Total
Opening	0	20 615	176 980	197 595
Movement	3 771 997	85 130	0	3 857 127
Closing	**3 771 997**	**105 745**	**176 980**	**4 054 722**

Ageing of consumer debtors		
Current	72 213	397 437
31-60 days	53 325	0
>60 days	4 206 836	3 816 650
Less: Provision for bad debts	(3 486 350)	(2 409 123)
Net Consumer Debtors	**846 023**	**1 804 964**

Included in other debtors are amounts owing in respect of the former employee cellphone accounts.

Included in deposits are holding amounts for rentals as well as electricity and water

Prepayments include costs that are due and payable in advance for internet connection and prepayment for the annual subscriptions.

Impairment testing was done on debtors and a provision for doubtful debts has been included. Debts are impaired if any of the following conditions are applicable

- Account balance outstanding for 90+ days
- Account's last payment date is before 1 March

Provision for debt impairment

Opening	2 409 142	2 137 225
Movement	1 077 208	271 917
Closing	**3 486 350**	**2 409 142**

The majority of the debtors balance is from the IDM and there has been no cashflow challenges identified and for the long outstanding debtors impairment has been raised as minimal cash movement.

The breakdown of debtors ageing and those impaired is as follows

Balance outstanding 90+	Formal arrangements in place	Customer Name	Total	over 1 Year	Analysis	Impairment loss
Yes	No	Department of Education DOE	560 566.10	560 566.10	Consider for impairment	560 566.10
Yes	No	Other debtors	9 789.11		Do not consider	
Yes	No	Farley Farm (Pty) Ltd	266 000.00	266 000.00	Consider for impairment	266 000.00
Yes	No	Phambili Energy	2 593 269.37	1 757 034.37	Consider for impairment	1 757 034.37
Yes	No	DE-CA-JU	902 750.00	902 750.00	Consider for impairment	902 750.00
			4 332 374.58	3 486 350.48		3 486 350.48

	2023 R	2022 Restated R
12 CASH AND CASH EQUIVALENTS		
12.1 Bank Accounts		
12.1.1 First National Bank Account - Main Bank Account - Stanger Branch *Account Number 62450574017 Cheque Account*		
Cash book balance at the beginning of the year	892 036	1 057 678
Cash book balance at the end of the month	**883 814**	**892 036**
Bank statement balance at the beginning of the year	892 036	1 057 678
Bank statement balance at the end of the month	**883 814**	**892 036**
Account Number 88127129387008 credit card facility		
Bank statement balance at the beginning of the year	(115)	(115)
Bank statement balance at the end of the month	**(1 507)**	**(115)**
12.1.2 First National Bank Account - UIF Account - Stanger Branch *Account Number 62804908286 Corporate Cheque Account*		
Cash book balance at the beginning of the year	1 372 356	1 384 681
Cash book balance at the end of the month	**1 435 590**	**1 372 356**
Bank statement balance at the beginning of the year	1 372 356	1 384 681
Bank statement balance at the end of the month	**1 435 590**	**1 372 356**
Total Bank Accounts	**2 319 404**	**2 264 392**
Petty Cash	2 343	2 107
Ewallet	5 039	7 663
Petrol Card/Autocard	10 383	10 383
Unallocated		0
	2 340 168	**2 284 544**
Cash at banks earns interest at varying rates based on daily bank deposit rates		
12.2 Current Investments		
12.2.1 First National Bank Account - Business Investment Desk Branch *Account Number 62607914138 Call Account*		
Cash book balance at the beginning of the year	5 795 550	3 347 991
Cash book balance at the end of the year	**5 995 308**	**5 795 550**
Bank statement balance at the beginning of the year	5 795 550	3 347 991
Bank statement balance at the end of the year	**5 995 308**	**5 795 550**
Credit account facility Account number - credit account		
12.2.2 First National Bank Account - Business Investment Desk Branch *Account Number 62828152752 - Call Account*		
Cash book balance at the beginning of the year	1 857 726	1 549 190
Cash book balance at the end of the year	**1 975 514**	**1 857 726**
Bank statement balance at the beginning of the year	1 857 726	1 549 190
Bank statement balance at the end of the year	**1 975 514**	**1 857 726**
12.2.3 Investec - Grayston Drive Branch *Account Number 1100546992530 Business Top5*		
Cash book balance at the beginning of the year	2 547 312	0
Cash book balance at the end of the year	**2 725 037**	**2 547 312**
Bank statement balance at the beginning of the year	2 547 312	0
Bank statement balance at the end of the year	**2 725 037**	**2 547 312**

	2023 R	2022 Restated R
12.2.4 First National Bank Account - Business Investment Desk Branch *Account Number 74895277835*		
Cash book balance at the beginning of the year	2 520 013	2 563 713
Cash book balance at the end of the year	**2 694 698**	**2 520 013**
Bank statement balance at the beginning of the year	2 520 013	2 563 713
Bank statement balance at the end of the year	**2 694 698**	**2 520 013**
12.2.5 First National Bank Account - Business Investment Desk Branch *Account Number 62799930142*		
Cash book balance at the beginning of the year	5 377 864	3 560 675
Cash book balance at the end of the year	**581 869**	**5 377 864**
Bank statement balance at the beginning of the year	5 377 864	3 560 675
Bank statement balance at the end of the year	**581 869**	**5 377 864**
Total Current Investments	**13 972 426**	**18 098 465**
Short-term deposits are made for varying periods depending on the immediate cash requirements earn interest at the respective short-term deposit rate		
CASH & CASH EQUIVALENTS	**16 312 594**	**20 383 009**

The cash and cash equivalents balance of R16.3 million includes an amount of R8.3 million relating to unspent conditional grants

13 INTEREST RECEIVED

Bank	167 949	67 890
Investments	1 080 433	446 074
	1 248 383	**513 965**

Interest from investments was derived from amounts invested with FNB and Investec Banks.

14 GOVERNMENT GRANTS AND SUBSIDIES

UNCONDITIONAL GRANTS		
Operational Grant - IDM	30 635 413	29 870 589
iLembe District Municipality - LED Projects & Programmes	1 657 806	1 730 270
iLembe District Municipality - Tourism Programmes	1 628 556	1 747 374
iLembe District Municipality - Development of SMME's	3 550 207	3 121 164
CONDITIONAL GRANTS		
Capital Grants		
COGTA YEP Grant	1 889	1 266 209
Operational Grants		
Trade & Investment KZN-One stop shop	101 000	0
UIF	0	29 072
EDTEA - Kwashushu Project	554 099	0
Food and Beverage Grant	1 856 925	0
MICT SETA	396 749	0
IDC - Business Rescue	875 195	891 090
KwaDukuza tourism exhibition	52 144	0
Total Government Grant and Subsidies	**41 312 983**	**38 655 767**
14.1 COGTA - Public Wi Fi Grant		
Balance unspent at beginning of year	0	33 298
Transferred back to funder	0	(33 298)
Conditions still to be met-transferred to liabilities	**0**	**0**

	2023 R	2022 Restated R
14.2 COGTA - Mini Factories		
Balance unspent at beginning of year	0	2 173 913
Transferred back to funder	0	(2 173 913)
Conditions still to be met-transferred to liabilities	**0**	**0**
14.3 IDM - LED		
Balance unspent at beginning of year	(0)	447 782
Current year receipts	1 723 000	1 282 488
Transferred to revenue	(1 657 806)	(1 730 270)
Conditions still to be met-transferred to liabilities	**65 194**	**(0)**
14.4 IDM - Tourism		
Balance unspent at beginning of year	297 860	652 092
Current year receipts	2 130 812	1 393 142
Transferred to revenue	(1 628 556)	(1 747 374)
Conditions still to be met-transferred to liabilities	**800 116**	**297 860**
14.5 COGTA -YEP		
Balance unspent at beginning of year	8 541	1 274 749
Conditions met - transferred to revenue	(4 889)	(1 266 209)
Conditions still to be met-transferred to liabilities	**3 652**	**8 541**
14.6 COGTA - Biomass		
Balance unspent at beginning of year	0	14 605
Transferred back to funder	0	(14 605)
Conditions still to be met-transferred to liabilities	**0**	**0**
14.7 COGTA - RASET		
Balance unspent at beginning of year	0	1 810 568
Conditions met - transferred to revenue	0	0
Transferred back to funder	0	(1 810 568)
Conditions still to be met-transferred to liabilities	**0**	**0**
14.8 Trade & Investment KZN-One stop shop		
Balance unspent at beginning of year	0	0
Current year receipts	404 225	0
Conditions met - transferred to revenue	(101 000)	0
Adjustments and Transfers	0	0
Conditions still to be met-transferred to liabilities	**303 225**	**0**
14.9 District Growth and Development Summit 2018 - COGTA		
Balance unspent at beginning of year	0	131 369
Transferred back to funder	0	(131 369)
Conditions still to be met-transferred to liabilities	**0**	**0**
14.10 UIF		
Balance unspent at beginning of year	987 618	1 706 765
Current year receipts	0	0
Conditions met - transferred to revenue	0	(29 072)
Adjustments and Transfers (Invoice Reversed)	0	(690 075)
Conditions still to be met-transferred to liabilities	**987 618**	**987 618**
14.11 Development of SMMEs - IDM		
Balance unspent at beginning of year	50 010	255 573
Current year receipts	3 800 733	2 915 601
Transferred to revenue	(3 550 207)	(3 121 164)
Conditions still to be met-transferred to liabilities	**300 537**	**50 010**

	2023 R	2022 Restated R
14.12 EDTEA - Kwashushu Project		
Opening Balance	2 173 913	0
Current year receipts	0	2 173 913
Conditions met - transferred to revenue	(554 099)	0
Conditions still to be met-transferred to liabilities	**1 619 814**	**2 173 913**
14.13 Food and Beverage Grant		
Opening Balance	0	
Current year receipts	2 494 000	0
Conditions met - transferred to revenue	(2 106 325)	0
Conditions still to be met-transferred to liabilities	**387 675**	**0**

Included in the funds conditions met - transferred to revenue of R2.1 million is the R249 100 for the management fee charged for the project that has been recognised under revenue from exchange - other income

14.14 MICT SETA

Opening Balance	1 689 413	1 689 413
Current year receipts	0	0
Conditions met - transferred to revenue	(396 749)	0
Conditions still to be met-transferred to liabilities	**1 292 664**	**1 689 413**

14.15 IDC - Business Rescue

Opening Balance	1 608 910	0
Current year receipts	0	2 500 000
Conditions met - transferred to revenue	(1 100 195)	(891 090)
Conditions still to be met-transferred to liabilities	**508 715**	**1 608 910**

Included in the funds conditions met - transferred to revenue of R1.1 million is the R225 000 for the management fee charged for the project that has been recognised under revenue from exchange - other income

14.16 KwaDukuza tourism exhibition

Opening Balance	0	0
Current year receipts	69 232	0
Conditions met - transferred to revenue	(52 144)	0
Conditions still to be met-transferred to liabilities	**17 088**	**0**

15 OTHER INCOME

Exchange transactions		
Wine sales	184 279	217 624
Impairment reversal	282 017	0
Phambili Energy - Rent Recoveries	530 251	575 285
Commission fee	474 400	0
	1 470 947	**792 909**
Non-exchange transactions		
Insurance refunds	**89 168**	**11 065**

16 EMPLOYEE RELATED COSTS

Employee related costs - salaries and wages	16 490 430	14 259 637
Leave Pay/provision	502 486	91 964
Long-service provision	241 000	181 000
Pension contribution	1 359 776	1 372 472
Car and other allowances	266 780	397 731
Medical aid Contribution	898 780	926 672
UIF Contribution	64 280	62 125
Municipal Staff, Home Owners Allowance	35 412	0
Municipal Staff, Barganing Council	3 294	0
Cellphone allowance	84 400	0
	19 946 617	**17 291 601**

Included in the employee related costs are the following

Remuneration of the Chief Executive Officer

Annual Remuneration	1 645 001	1 118 565
UIF	2 126	1 566
Total	**1 647 127**	**1 120 132**

	2023 R	2022 Restated R
Remuneration of the Chief Financial Officer(Former CFO)		
Annual Remuneration	792 580	1 170 188
Leave encashment	78 841	0
Municipal staff bargaining council	32	0
Car and Other Allowances	39 437	188 144
Medical Aid	13 145	51 696
Pension Fund	38 237	218 707
UIF	1 240	2 012
Total	**963 512**	**1 630 748**
Remuneration of the Chief Financial Officer (Current, started in 1 February 2023)		
Annual Remuneration	575 331	0
Car and other allowances	8 000	0
Medical Aid	0	0
UIF	886	0
Total	**584 216**	**0**
Remuneration of the Executive Manager. Investment Promotion & Marketing		
Annual Remuneration	944 979	905 670
Acting Allowance	17 731	64 094
Car and other allowances	227 344	247 746
Medical Aid	60 084	51 696
Pension Fund	120 389	100 581
UIF	2 126	2 012
Home owners allowance	5 059	0
Bargaining council	130	
Total	**1 377 241**	**1 371 799**
Remuneration of the Executive Manager. Corporate & Legal (started in 1 December 2022)		
Annual Remuneration	710 936	0
Car and other allowances	8 000	0
Medical Aid	0	0
UIF	1 240	
Total	**720 177**	**0**
Remuneration of the Executive Manager: Projects		
Annual Remuneration	655 539	0
Car and other allowances	0	0
	0	0
UIF	1 240	0
Total	**656 779**	**0**

As at end of the financial year , the Executive Manager projects, position was vacant, started in 1 November 2022 and resigned in April 2023

17 REMUNERATION OF BOARD MEMBERS

Remuneration includes a retainer and attendance fees at meetings

Mr X Gumede - Board Chairperson	(Appointed January 2021)	145 463	143 963
Ms N Mlaba - Board Deputy Chairperson	(Appointed January 2021)	0	47 146
Ms N Dlamini	(Appointed January 2021)	95 420	112 670
Dr T Mbonambi	(Appointed January 2021)	110 420	108 170
Mr T Deetlefs	(Appointed January 2021)	102 437	110 312
Ms Z Msimang	(Appointed October 2021)	83 420	64 065
Mr P Gumede	(Appointed January 2022)	86 420	36 835
Total Board Members' Remuneration		**623 580**	**623 161**

18 REPAIRS AND MAINTENANCE

General Repairs	186 376	163 909
Repairs and Maintenance tunnels and hubs	1 069 030	165 426
	1 255 405	**329 336**

19 CONTRACTED SERVICES

Security	1 152 663	1 322 043
Audit Committee	179 597	87 500
Cleaning services	202 716	161 819
Internal Audit	367 742	397 695
Repairs and Maintenance	1 255 405	329 335
Consulting Professional Fees	2 459 470	1 434 628
Legal Fees	0	163 287
Mechanization	474 811	371 110
Kwashushu	554 099	0
One stop shop	10 000	0
Tourism Events/Exhibitions	645 159	576 622
IDC Business Recovery	875 195	891 090
Leases- Office Equipment	125 739	140 609
	8 302 596	**5 878 737**

	2023 R	2022 Restated R
20 GENERAL EXPENSES		
Included in general expenses is the following :		
Admin Costs/Consumables	32 817	254 043
Advertising	299 954	292 476
Refreshments	40 540	37 499
Petrol and Oil	209 920	174 178
Rental of premises	1 212 808	1 216 584
Bank Charges	29 099	28 305
Conference and workshop	101 580	62 122
COVID-19 Expenditure	0	14 000
Development of SMMEs	727 122	489 953
External Audit Fees	955 781	938 468
Fleet cards	798	16 672
ICT Services	526 971	468 025
Finance Costs - Interest on finance lease	34 378	5 174
Interest and Penalties	571 351	66
Marketing, Communication & Investments	904 365	1 067 222
Postage, Courier & Delivery Services	165	3 435
Printing and stationery	83 346	76 050
Subscriptions & Licenses	313 746	303 449
Insurance premium	211 023	56 454
Subsistence, Travel & Accommodation	781 655	374 194
Vehicle Hire Fees	0	16 583
Telephone and Fax	286 309	466 236
SDL	180 363	160 473
Training	432 346	110 489
Food and Bev SETA learnership	1 856 925	0
MIC SETA learnership	343 300	0
Water and Electricity	292 974	257 346
Winery Operations	14 512	4 058
	10 253 552	6 733 554

21 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

21.1 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	79 013	79 967
Fruitless and wasteful expenditure current year	0	66
Interest & Penalties relating to Prior Financial Years	599 058	0
Penalties reversed by SARS	(78 947)	0
Fruitless and wasteful expenditure written-off	(599 124)	0
Amount recovered from responsible parties	0	(1 020)
Fruitless and wasteful expenditure not yet recovered/written off	0	79 013

Incident	Action Taken
SARS interest and penalties	Voluntary Disclosure Program in respect of resubmission of prior year VAT returns.

21.2 Irregular expenditure

Reconciliation of irregular expenditure		
Opening balance	13 662 719	13 662 719
Competitive bidding process not followed.	0	0
Irregular Expenditure relating to prior years	0	0
Amount written off by Board	0	0
Irregular expenditure not yet written off	13 662 719	13 662 719

The irregular expenditure relates to the procurement of services in relation to the UIF and MICT SETA projects (learnership grants) where the project manager was appointed without following the competitive bidding process. A Memorandum of Agreement was signed by the then CEO on the basis that when the initial applications were submitted Sproki Consulting was cited as the company that will offer project management services. The external investigation is underway, once completed the board will consider recommendations

	2023 R	2022 Restated R

21.3 Deviations

All deviations considered by the Accounting Officer are processed in terms of the SCM regulations and the municipality s SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure

Nature of Deviations:		
Appointment of a Consultant	635 775	0
Information Technology Upgrade	191 856	0
Completion of the Infrastructure project		972 437
Total Value	**827 631**	**972 437**
Total Number of Cases	**2**	**1**

22 CASH GENERATED/(UTILISED) BY OPERATIONS

Surplus for the year	(10 987 663)	1 058 097
Depreciation, impairment & amortisation	1 885 898	7 521 418
Employee benefits	(245 000)	209 515
Debt impairment	1 077 227	327 546
Loss on disposal	13 264 674	188 622
Other non-cash items	11 438	165 317
Losses/(gains) on assets		0
Investment income		
Loss on obsolete stock	0	199 166
Operating surplus/(deficit) before working capital changes	5 006 563	9 669 781
Increase in Inventories	(44 630)	242 672
	958 931	217 072
Decrease in Receivables From Exchange Transactions		
Decrease in Receivables From Non-Exchange Transactions	(3 857 127)	1 484 416
(Decrease) in Unspent conditional grants	(529 968)	(3 373 862)
Increase/(Decrease) in Payables	3 031 595	111 721
Increase/(decrease) in finance lease liability current	0	0
Increase/(Decrease) in Employee benefits	196 891	(108 028)
Decrease in VAT Receivables	0	392 346
Increase in VAT Payables	(427 997)	656 650
Contribution to provision for impairment	(1 077 227)	(327 547)
Net cash from operations activities	3 257 032	8 965 221

23 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

Current investments	13 972 426	18 098 465
Bank balances and cash	2 340 168	2 284 544
Total cash and cash equivalents at the end of the year	16 312 594	20 383 009

24 GAINS AND LOSSES

24.1 Disposal of Assets		
Loss on disposal/write-off	(8 030 342)	(188 622)
Assets transferred to other state organs	(5 234 331)	0
	(13 264 674)	(188 622)
24.2 Loss on Obsolete Stock	0	(199 166)
	0	(199 166)
24.3 Debt Impairment	(1 077 227)	(327 546)
	(1 077 227)	(327 546)
24.4 PPE impairment reversal	282 017	0
	282 017	0

25 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

25.1 Audit fees		
Current year audit fee	855 181	838 468
Amount paid - current year	(855 181)	(838 468)
Balance unpaid (included in creditors)	0	0

	2023 R	2022 Restated R
25.2 PAYE, Skills and UIF		
Opening balance	14 258	268 576
Current year payroll deductions	3 461 368	261 908
general	(3 475 626)	(516 226)
Balance unpaid (included in creditors)	**0**	**14 258**
25.3 Medical Aid Contributions		
Opening balance	96 958	134 021
Current year payroll deductions	1 782 602	1 681 188
Amount paid - current year	(1 755 212)	(1 718 251)
Balance unpaid (included in creditors)	**124 348**	**96 958**
25.4 Pension Contributions		
Opening balance	0	169 285
Current year payroll deductions	2 057 522	2 076 636
Amount paid - current year	(2 057 522)	(2 245 921)
Balance unpaid (included in creditors)	**0**	**0**
25.5 SAMWU		
Opening balance	-	1 625
Current year payroll deductions	19 825	19 175
Amount paid - current year	(19 760)	(20 800)
Balance unpaid (included in creditors)	**65**	**0**
25.6 Natal Joint Funeral Fund		
Opening balance	0	264
Current year payroll deductions	4 724	3 600
Amount paid - current year	(4 724)	(3 864)
Balance unpaid (included in creditors)	**0**	**0**
25.7 Net Salaries		
Opening balance	41 637	11 100
Current year payroll deductions	12 224 131	9 194 091
Amount paid - current year	(12 266 098)	(9 163 554)
Balance unpaid (included in creditors)	**(330)**	**41 637**

26 INCOME TAX

No provision has been made for income tax in the current financial year, the enterprise is in a tax loss position. Prior to considering current year tax implications the enterprise had a brought forward assessed loss of R18 163 782. No communication has been received from SARS in this regard. The Tax Practitioner who has been contracted by the entity to assist with the vat review will also look into this matter

27 CORRECTION OF PRIOR PERIOD ERROR

Adjustments to opening balance	
Prior period errors/corrections	
Effects on Statement of Financial Performance	
General Expenditure	
recognition of the cost of consignment wine stock that was sold in the previous year. The recognition of the previous year electricity account for the sugar mill account and the winery operational expense	122 442
Employee cost	
Adjustment of employee related costs for the UIF retention that was not claimed by the service provider	220
Board fees	
Expenditure recognised in the previous financial year and the accrual raised for the expenditure that was not paid during the financial year	(64 292)
Revenue	58 371
Effects on Statement of Financial Position	
Trade and Other Receivables	0

	2023 R	2022 Restated R
Property plant and equipment		0
Recognising the computer equipment for the cellphones and tablets not previously raised in the AFS		
cost		379 032
Accumulated depreciation		(441 278)
Trade and other trade payables from exchange		63 078
Reversal of the board fees and recognition of the expenditure not previously accounted for		
		(42 884)
VAT		
recognition of the VAT accrual as a result of the finance lease assets that were not previously recognised		
VAT payable closing balance in 2022 erroneously included an amount in excess of the SARS statement		1 497 230
Finance lease liability		(343 423)
recognition of the future lease payment for the contracts for computer equipments		343 423
Effects on Statement of Net Assets		1 408 755

28 EVENTS AFTER THE REPORTING DATE

No events after the reporting date that could affect the presentation of the annual financial statements have been identified

29 RELATED PARTIES

Parent Municipality :iLembe District Municipality
iLembe District Municipality is the sole shareholder of the entity

Related party balances

Amounts owed by/(to) iLembe District Municipality :		
Opening Balance	(64 922)	1 418 061
Movements during the year	3 562 093	(1 482 983)
Closing Balance	**3 497 171**	**(64 922)**

This amount is included as part of trade and other payables and trade and other receivables. It relates to the reimbursement of the insurance premium paid over by IDM for the insurance of Entity assets and the grant funding still to be deposited in the entity's bank account.

Grant fundings allocation from the parent municipality:		
Administration Grant	30 635 413	29 399 967
LED Grant	1 723 000	1 441 891
Tourism Grant	2 130 812	1 704 361
Development of SMMEs	3 800 733	2 915 602
	38 289 958	35 461 821
Amount disclosed under payables (unspent grants)	**1 165 849**	**347 870**

Key management personnel information has been disclosed in note 16
There were no other transactions in the current year other than the ones listed above.

30 OPERATING LEASES

The future minimum lease payments payable under operating leases for the actual liability are as follows

No later than 1 year	144 600	144 600
Later than 1 year and no later than 5 years	132 550	277 150
	277 150	421 750

The entity entered into a lease agreement for machinery (contract for 5 printing machines) which is for the period 01 June 2022 to 31 May 2025. Details of the lease are contained in the signed agreement and the premiums are fixed for the duration of the contract

		2023 R	2022 Restated R

31 GOING CONCERN

The financial statements for the period ended 30 June 2023 have been prepared on a going concern basis. The agency does not foresee anything that will hinder it operating in the future. The agency received its allocation from the IDM and continues to mobilise resources through strategic partnerships and funding initiatives.

The directors are of the view that the company has sufficient resources to continue as a going concern.

Management is confident that adequate measures are implemented to ensure that the impact of the cashflow management remains under control with minimal impact on the company's operating activities.

32 Construction projects underway

Project name	YEP	Kwashushu
Liability	3.652	1 619 874
Revenue	4 889	554 099
Expenditure	50 000	554 099
Stage of the project	Completed and transferred	In progress
Funder	KZN Cogta	KZN EDTEA

Included AFS are the projects that were under construction and the asset that were being capitalised under WIP for the YEP project and Kwashushu project the expenditure is recognised in the statement of financial performance as it is being incurred the revenue being recognised as the expenditure was being incurred for both projects

33 Non-current assets held for sale

The Board resolved to discontinue the direct operations of the 1787 winery and lease the premises to interested service providers as well as the sale of the wine processing equipment. The entity is in the process of selling the equipment and should be concluded with the next 12 months. The assets have been valued at carrying amount

Wine equipment	355 970

34 RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

34.1 Interest Rate Analysis

The risk that the entity will not receive the maximum interest benefits from investments

Financial Assets:

External Investments:		
Current Investments	13 972 426	18 098 465
Bank balances and cash	2 340 168	2 284 544
	16 312 594	20 383 009
Interest earned bank external investments	1 248 383	513 965
Interest rate	7.7%	2.5%
Outstanding Debtors:		
Receivables from Exchange Transactions	846 023	1 804 964
	846 023	1 804 964
Interest earned on outstanding debtors		
Interest rate	0.0%	0.0%

34.2 Credit Risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party

Financial assets exposed to credit risk at year end were as follows

Receivables	11	846 023	1 804 964
Cash and cash equivalents	12	16 312 594	20 383 009
Ageing of consumer debtors			
Current		72 213	397 137
31-60 days		53 325	0
>60 days		4 206 836	3 816 650
Less: Provision for bad debts		(3 486 350)	(2 409 123)
Net Consumer Debtors		846 023	1 804 964

	2023 R	2022 Restated R
34.3 Liquidity Risk		
The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments		
The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant		
Less than One Year		
Finance lease liability	135 842	203 132
Trade Payables	1 231 496	939 599
	1 367 338	1 142 732
Between Two to Five Years		
Finance lease liability	4 448	140 291
Trade Payables	0	0
	4,448	140 291

35 SUBSEQUENT EVENTS

There have been no subsequent events from 1 July 2023 to the date of issuing of these financial statements, other than those disclosed herein

36 REPORTABLE SEGMENTS

For management purposes the entity is organised and operates in four functional segments (or business units). To this end management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the entity are not allocated to these business units
The four business units comprise of

- Projects Unit which includes agriculture and farmer support as well as development of SMMEs.
- Investment Promotion and Marketing which includes marketing, communication, events, research and exhibitions as well as facilitating investment opportunities
- Corporate and Legal which also incorporates ICT, HR, Administration and legal related activities
- Financial management related activities

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor service provider performance by means of quarterly performance assessment rated by project managers within business units. Performance management is also monitored through the service delivery and budget implementation plan detailing targets and progress against those

	2023 R	2022 Restated R
2022/2023		
	Other	Unallocated	Total
Segment Revenue	11 151 970	32 932 494	44 084 464
External revenue from non-exchange transactions	10 677 570	30 635 413	41 312 983
External revenue from exchange transactions	474 400	1 048 698	1 523 098
Interest revenue	0	1 248 383	1 248 383
Segment Expenses	10 677 570	44 676 574	55 354 144
Total Segment expenses	10 677 570	42 790 676	53 468 246
Depreciation, impairment and amortisation		1 885 898	1 885 898
Surplus/deficit for the year	474 400	(11 744 080)	(11 269 680)
2021/2022		
	Other	Unallocated	Total
Segment Revenue	9 589 152	30 384 553	39 973 706
External revenue from non-exchange transactions	8 796 243	29 870 589	38 666 832
External revenue from exchange transactions	792 909	0	792 909
Interest revenue	0	513 964	513 964
Segment Expenses	12 995 152	25 920 456	38 915 608
Total Segment expenses	12 995 152	18 399 038	31 394 190
Depreciation and amortisation	0	7 521 418	7 521 418
Surplus/deficit for the year	(3 406 000)	4 464 097	1 058 094

37 COMMITMENTS

Operational Expenditure		
Approved and contracted	1 664 744	0
Total operational commitments	1 664 744	0
Capital Expenditure		
Approved and contracted Property, Plant and Equipment	5 083 045	650 016
Total capital commitments	5 083 045	650 016
Total commitments	6 747 789	650 016
The expenditure will be financed from		
Government Grants	3 896 808	650 016
Own Resources	2 850 981	0
	6 747 789	650 016

	2023	2022 Restated
	R	R

38 CONTINGENT ASSET

Phambili Energy

During the 2020/2021 financial year the Entity engaged legal services to review the agreement currently in place between the Entity and Phambili Energy who is the Technical Partner in the roll-out of the Biomass Project i.e. a project funded by COGTA. This was prompted by a dispute between the parties. Phambili Energy proposed a settlement wherein Phambili Energy would pay back the Entity R5.8 million as its capital contribution to the project inflation plus other costs and in turn the Entity would exit from the project. The Entity has not accepted this offer as it is not based on any financial benefit assessment. In turn requested that Phambili Energy provides its audited financial statements so that the proposal made could be assessed on the factual basis and that the Entity does not end up losing.

The legal panel was used to review the current contract and options available to the Entity during the 2021/2022 financial year. The recommendations were submitted to the Board with the Board resolving to institute a review and set aside the agreement.

Farley farm and DeCAJU were handed over and the legal representatives have not been able to recover any funds and summons were issued to both entities.

39 SERVICES IN KIND

Right of use of Raset Fleet Agreement
The Entity has an agreement in place that was signed with iThala for the RASET Programme. This contract was for the use of 3 trucks and 2 bakkies. These vehicles were not in use since the 2021/2022 financial year. In January 2023 these vehicles were collected by the Department of Economic Development, Tourism and Environmental Affairs and have not returned to the entity.

Right of use of Office accommodation
The Entity has a right of use of the offices accommodation from iLembe District municipality at no cost of which the asset has been capitalised as Municipal building and depreciated in accordance with the policy.

40 AWARDS TO CLOSE FAMILY MEMBERS

Regulation 45 requires that the details of all awards made to service providers with close family members in service of the state

Greenfo Solutions (Pty) Ltd 552,301

Nature of Award
- Appointment for the Supply and Installation of a Generator

Details
- Ms. N Thabeng (Forensic Analyst: SAPS)

Matthew Francis Incorporated 48 096

Nature of Award
- Contract review for Biomass Conversion Combination Plant Project

Details
- B Sivparsad (Manager: Water & Sanitation Msunduzi Municipality)
- R van Amsterdam (SGT Detective Amangwe SAPS)
- S Mantangu (Chief Town Planner iLembe District Municipality)

2. Goshen Entrepreneurship Hub 4 019,018

Nature of Award
- Appointment of an implementing agent for the Enterprise Development Business Incubation Programme

Details
- N. Ngobese (Nurse KZN OOH - Sundumbili Clinic)

Below are assets that have reached their useful life and as that point they were functional

41 Change in estimate

The change in estimate is as a result of the assets that had reach its useful life and based on the asset verification, those assets were still in use and therefore the future economic benefits to be derived from those assets has been updated.

Depreciation reduction 5 211

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
UNAUDITED SUPPLEMENTARY APPENDIX A : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

	Cost / Valuation					Accumulated Depreciation				
	Opening Balance	Additions	Write Offs / Valuations	Transfers/ WIP	Closing Balance	Opening Balance	Additions	Impairment loss/ Reversal of impairment loss/Transfers	Closing Balance	Carrying Value
	R	R	R	R	R	R	R	R	R	R
Manufacturing Plant	18 296 601	-	7 903 198	-	10 393 403	(11 414 115)	(1 010 623)		(12 424 738)	(2 031 335)
Municipal Buildings	1 411 946	3 847 840	-	-	5 259 786	(295 866)	(49 832)	-	(345 698)	4 914 088
Intangible Assets	21 500	-	-	-	21 500	(330)	(4 298)	-	(4 627)	16 873
Furniture and Equipment	8 024 730	553 051	1 314 436	-	7 263 345	(1 500 249)	(273 561)	950 720	(823 090)	6 440 254
Motor Vehicle	-	1 548 782	516 261	-	1 032 521	-	67 818	14 129	53 689	1 086 210
Computer Equipment	6 537 935	1 149 183	428 129	-	7 258 990	(675 767)	(441 686)	328 469	(788 984)	6 470 006
	34 292 712	**7 098 856**	**10 162 024**	**-**	**31 229 545**	**(13 886 327)**	**(1 712 182)**	**1 293 317**	**(14 333 449)**	**16 896 095**

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
UNAUDITED SUPPLEMENTARY APPENDIX B: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

2022 Actual Revenue R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R		2023 Actual Revenue R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R
39 973 706	39 185 037	788 669	Administration	44 366 481	55 354 144	(10 987 663)
39 973 706	**39 185 037**	**788 669**	**(Surplus) for the year**	**44 366 481**	**55 354 144**	**(10 987 663)**

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
UNAUDITED SUPPLEMENTARY APPENDIX C(1): ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Description	2022/23 Approved Budget	2022/23 Adjusted Budget	Actual Outcome	Variance	Variance
	R		R	R	%
Financial Performance					
Interest on investment	390 800	990 000	1 248 383	(857 583)	-87%
Government grants and subsidies	46 467 782	47 595 788	41 312 983	5 154 799	11%
Other Income	227 642	629 878	1 805 115	(1 577 473)	-250%
Total Revenue (excluding capital transfers & contributions)	**47 086 225**	**49 215 666**	**44 366 481**	**2 719 744**	**90%**
Employee related costs	21 245 526	20 573 562	19 946 617	1 298 909	6%
Directors Fees	903 900	803 900	623 580	280 320	35%
Depreciation	2 076 157	1 783 103	1 885 898	190 259	11%
Contracted Services	5 406 060	12 130 246	8 302 596	(2 896 536)	-24%
General Expenses	16 671 922	13 511 875	10 253 552	6 418 370	48%
Loss on disposals	-		13 264 674	(13 264 674)	100%
Loss on impairment	408 000	408 000	1 077 227	(669 227)	-164%
Loss on actuarial valuations					
Total Expenditure	**46 711 565**	**49 210 686**	**55 354 144**	**(8 642 579)**	**-18%**
Surplus/(Deficit)	**374 660**	**4 980**	**(10 987 663)**	**11 362 323**	**0%**
Capital expenditure & funds sources					
Transfers recognised - capital	7 055 000	8 116 450	7 098 856	(43 856)	-1%
Internally generated funds	-	-		-	0%
Total sources of capital funds	**7 055 000**	**8 116 450**	**7 098 856**	**(43 856)**	**-1%**

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
UNAUDITED SUPPLEMENTARY APPENDIX C(2): ACTUAL VERSUS BUDGET BY DEPARTMENT (REVENUE AND EXPENDITURE)
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

	Actual 2023	Budget 2023	YTD Budget 2023	Variance 2023	% Variance 2023	Comments
	R	R	R	R	%	
REVENUE						
Rental Income	-	-	-	-		
Interest on investment	1 248 383	990 000	990 000	(258 383)	-26%	Cash was invested for longer periods due to delays in procurement
Government grants and subsidies	41 312 983	47 595 788	47 595 788	6 282 805	13%	There were delays in procurement process as responsive bidders were not found in some instances. There were also issues with receiving verified information in the case of the IDC relief fund
Other income	1 560 115	629 878	629 878	(930 237)	-148%	Included is management fee charged for the implementation of the projects
Total Revenue	**44 366 481**	**49 215 666**	**49 215 666**	**5 339 185**		
EXPENDITURE						
Organisational development	55 354 144	49 210 686	49 210 686	(6143 458)	-12%	Immaterial
Total Expenditure	**55 354 144**	**49 210 686**	**49 210 686**	**(6 143 458)**		
Surplus / (Deficit) for the year	**(10 987 663)**	**4 980**	**4 980**	**11 482 643**		

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
UNAUDITED SUPPLEMENTARY APPENDIX C(3): ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

	2023 Actual R	2023 Budget R	2023 YTD Budget R	2023 Variance R	2023 Variance %
Administration	2 101 833	2 613 272	2 613 272	511 439	20%
Projects Under Construction	4 997 024	5 503 178	5 503 178	(506 154)	-9%
	7 098 856	**8 116 450**	**8 116 450**	**5 285**	0%

ILEMBE MANAGEMENT DEVELOPMENT ENTERPRISE (PTY) LTD
UNAUDITED SUPPLEMENTARY APPENDIX D : GRANTS AND SUBSIDIES RECEIVED - 2022/2023
ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003

Name of Grants	Unspent Balance 2021/2022	Quarterly Receipts				Total Receipts	Quarterly Expenditure				Adjustments and Transfers	Total Expenditure	Unspent Balance 2022/2023
		July 22 to Sept 22	Oct 22 to Dec 22	Jan 22 to Mar 22	April 22 to June 22		July 21 to Sept 21	Oct 21 to Dec 21	Jan 22 to Mar 22	April 22 to June 22			
		1	2	3	4		1	2	3	4			
Ilembe District Municipality - LED	-	430 750	430 750	430 750	430 750	1 723 000	52 597	654 269	427 679	523 261	-	1 657 806	65 194
Ilembe District Municipality - Tourism	297 860	532 703	532 703	532 703	532 703	2 130 812	-	735 741	189 359	703 456	-	1 628 556	800 116
Development of SMMEs	50 013	950 183	950 183	950 183	950 183	3 800 733	211 159	1 335 756	721 547	1 281 745	-	3 550 207	300 539
District Growth & Development Summit (	-	-	-	-		-						-	-
Trade & Investment KZN-One stop shop	-	-	-	404 225		404 225				101 000	-	101 000	303 225
Foodbev	-	-	-		2 494 000	2 494 000	-	-	390 000	1 466 925	249 400	2 106 325	387 675
KDM Tourism Exhibition	-	-	-		69 232	69 232	-	-		52 144	-	52 144	17 088
Mini Factories	-	-	-			-	-	-				-	-
UIF Training	987 618	-	-			-	-	-				-	987 618
EDTEA Kwashushu	2 173 913	-	-			-				554 099	-	554 099	1 619 814
MICT SETA	1 689 413	-	-			-				396 749	-	396 749	1 292 664
IDC Grant	1 608 910	-	-			-				875 195	225 000	1 100 195	508 715
YEP Grant	8 540	-	-			-	-	-			4 889	4 889	3 651
	6 816 267	1 913 636	1 913 636	2 317 861	4 476 868	10 622 002	263 756	2 725 766	1 728 585	5 954 575	479 289	11 151 970	6 286 300

Unspent grants as at 30 June 2022	6 816 267	Unspent grants as at 30 June 2023	30June 2023	6 286 300



The Municipal Manager
ILembe House
59/61 Mahatma Ghandi Street
KwaDukuza
4450

The Municipal Manager
P.O. Box 1788
KwaDukuza
4450