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EHLANZENI
DISTRICT MUNICIPALITY



DRAFT ANNUAL REPORT



Re-discover life

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EHLANZENI
DISTRICT MUNICIPALITY

ACRONYMS

APAC	Amalgamated Public Accounts Committee
BLM	Bushbuckridge Local Municipality
BM	Barberton Mines
BSC	Balanced Scorecard
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
CBD	Central Business District
CBP	Community Based Programme
CID	Central Improvement District
COGTA	Cooperative Governance and Traditional Affairs
CPSI	Centre for Public Sector Information
CWP	Community Works Programme
DWA	Department of Water Affairs
EDM	Ehlanzeni District Municipality
EEP	Employment Equity Plan
EMP	Environmental Management Plan
EWP	Extended Works Programme
FY	Financial Year
GIS	Geographical Information System
GIZ	Deutsche Gesellschaft Fuer Internationale Zusammenarbeit (German Governance Support Programme)
GPS	Geographical Position System
GWM&E	Government Wide Monitoring & Evaluation
IDP	Integrated Development Plan
HR	Human Resources
ICT	Information and Communications Technology
IGR	Intergovernmental Relations
IHL	Institute for Higher Learning
IOM	International Organisation for Migration
IMSP	Integrated Municipal Support Plan
IPMS	Individual Performance Management System
IWMP	Integrated Waste Management Plan
LED	Local Economic Development
LEFPA	Lowveld Escarpment Fire Protection Association
LM	Local Municipality
LMs	Local Municipalities
LMSP	Local Municipality Support Programme
LTO	Local Tourism Organisation
M&E	Monitoring and Evaluation
MFMA	Municipal finance Management Act (Act 32 of 2003)
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MLM	Mbombela Local Municipality
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MSA	Local Government Municipal Systems Act, 2000 (Act 32 of 2000)
NDHS	National District Health System
NIHE	National Institution for Higher Education
NMMU	Nelson Mandela Metropolitan University
NLM	Nkomazi Local Municipality
NT	National Treasury
OMM	Office of the Municipal Manager
OPEX	Operational Expenditure
OPMS	Organizational Performance Management System
PDP	Personal Development Plan
PT	Provincial Treasury
R&D	Research and Development
SCM	Supply Chain Management
RRAMS	Rural Road Asset Management System
SDBIP	Service Delivery and Budget Implementation Plan



EHLALENZANI

SLA	Service Level Agreement
SO	Strategic Objective
SMME	Small Micro Medium Enterprises
TLM	Thaba Chweu Local Municipality
TUT	Tshwane University of Technology
UJ	University of Johannesburg
ULM	Umjindi Local Municipality
WSDP	Water Service Development Plan
WSP	Workplace Skills Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works



1.1 Executive Mayor's Foreword

Circular NO. 63 of the Municipal Finance Management Act, Act 56 of 2003 requires that every municipality and Municipal Entity must prepare an Annual Performance Report which must form part of the Annual Report for each Financial Year in accordance with section 46 of the Municipal Systems Act, Act 32 of 2000 (MSA) and section 121 of the Municipal Finance Management Act, Act 56 of 2003 with an aim to:

- *Provide a record of the activities of the municipality or entity during the Financial Year to which the report relates;*
- *Provide a report on performance in service delivery and budget implementation for the Financial Year;*
- *Promote accountability to the local community for decisions made throughout the year by the municipality or municipal entity; and*
- *Reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.*

It is with the above understanding that I wish to take this opportune time and present to all our valuable stakeholders the 2020/21 Annual Report which satisfies all the structural requirements and format of such a report. It will however be unfortunate of me, considering the fact that this report is the last of the five reports generated from my office since this outgoing administration took office in 2016, to fail to appreciate the level of commitment and support we have received from both the Executive and the Legislative Arm of Council during this period. The collaboration, selflessness and passion for our work will remain at the centre of my heart for years to come.

It gives me pleasure to reflect on the municipality's performance during the 2020/21 Financial Year in which, according to the Auditor General's Assessment, the district obtained a Clean Audit. This is indeed pleasing to the heart as I further note that it could not have been possible without the sterling support received from various units and oversight structures. I therefore see it necessary to equally commend the support and guidance we have been receiving from all section 79 committees through their oversight activities, the office of the Municipal Public Accounts Committee (MPAC), the Internal Audit Committee, Risk Management Committee and from our Individual Performance Review and Recognition Committee to mention but a few.

Our Public Participation Programme as contained in Chapter 3 of the constitution would have not been realised if we did not live up to the stipulations of the Intergovernmental Relations Framework Act, Act 13 of 2003. It is through this vertical and horizontal alignment of programmes and plans that assisted Ehlanzeni District Municipality to map out a clear District Wide Integrated Development Plan (IDP) which is further supported by a Service Delivery and Budget Implementation Plan (SDBIP) at an operational level. The support received from all sector departments and institutions like the GIZ during the planning stages of our operations lacks space for enough illustration. This being the fact that such a plan was characterised by a number of developmental considerations which include among others, the District Development Model, the COVID-19 pandemic, natural disasters like torrential rains and other social challenges like the Gender Based Violence and Femicide issues which in my view could have been prevented if an only if we were a tolerant society. It nevertheless pleases me to indicate that the District Municipality remained alive to its course throughout all these challenges. At the centre of all our operations was the need to deliver services to our communities as contained in section 152 of the constitution of the Republic of South Africa.

As government works towards relaxing the COVID-19 protocols with an aim of resuscitating the country's ailing economy, it remains in our hands to keep up with the mitigating strategies which include regular sanitization, social distancing and always wearing our face masks whenever we are in public spaces. The call to strengthen the vaccination programme remains central towards achieving population immunity. Government can only do much but the major part of the fight remains in each and every one of us to play our part. It is in that spirit that I also take time to commend the sterling work by all our frontline workers in the fight against both these natural and social atrocities. The effective functionality of strategic structures like the District Command Council and the District Command Centre supported by the Local Command Centres and Command Councils established from our Local Municipalities will never miss space for appreciation in this report. It is indeed befitting that we appreciate the collective effort and hard work that has seen our region being less vulnerable when compared to other regions throughout this compelling period.

At the centre of our future plans as Ehlanzeni District Municipality is the continued effort to provide support to our local municipalities in the delivery of quality services to our communities. This we will achieve through a structured engagement with each municipality with a focus on service delivery issues. A strengthened collaboration in the form of infrastructure development, maintenance programmes, job creation and the Small, Medium and Micro Enterprise (SMME) development to mention but a few of such initiatives. The call to strengthen even further our collaboration with GIZ has never been at its strongest demand than now as we move towards the implementation of the District Development Model. As such the call for carefully re-aligning our work operations becomes necessary.

It is with the above preamble that I formally submit to you the 2020/21 Annual Report for Ehlanzeni District Municipality compiled in partial fulfilment of Circular 63 of the MFMA.

I thank you.

J SIDELL
EXECUTIVE MAYOR

1.2 Municipal Manager's Foreword

It gives me pleasure to be afforded an opportunity to reflect back on the performance and achievements of the district in 2020/21 financial year. In doing so, one also wishes to thank the participation of all our critical stakeholders. It was indeed trying times for the entire world given the demise of our colleagues, friends, families and relatives due to the spread of the pandemic Novel Covid-19 strains. It is comforting to date that serious strides have been taken by the Medical and Research disciplines in finding the vaccine to prevent the spread. We are continuing to appeal to all communities to get themselves vaccinated and observe all COVID-19 protocols.

It is also befitting that we take this opportunity to appreciate all the efforts shown and commitment of all the role players in the fight against this Pandemic. The appreciation of the contribution towards the management and monitoring of the pandemic is extended to all the provincial and national departments led by their respective delegates, Local Municipalities led by Municipal Managers and representatives, State Owned Enterprises led by their Chief Executive Officers and Representatives, the Local House of Traditional Leaders led by their representatives, Community society led by their representatives and the Private Sector and Associations led by their representatives. Without a collective effort, the pandemic would have prevailed over our society in our district.

Although, for the better part of the financial year, services were rendered and sometimes distorted by the adjustment of the restrictions of the alert levels which to some extent limited the required staff, and in some instances needed staff to be rotated and for others to be exempted and work at home. Nevertheless, as EDM we continued to adhere with the requirements and adjustments as and when the President announced the changes at the recommendations of the National Corona Virus Command Centre (NCCC). To this end as an Accounting Officer of the District, we also wish to convey the role that municipalities played in establishing fully functional structures (Command Centres and Command Councils) which during the course of the financial year convened meetings and processed reports and information of their local areas.

The district apart from coordinating the work of the Covid-19 Pandemic also ensured that as collective, government was able to render services in a much more effective manner to the communities. Just to mention a few, boreholes were drilled and resuscitated in all the municipalities, water tankers were hired by the Department of Water Affairs and supplied water to places where there is no permanent supply. The office of the Premier also donated water tanks which were installed in 3 Local Municipalities and this ensured that people in those municipalities are able to get access to clean portable water for consumptions and for the hygiene purposes (washing off hands to prevent further spread of the infection (COVID-19)). Municipalities also prioritised procurement of sanitisers and chemicals for fumigating our offices as means of preventing further infection and in compliance with safety and occupational health protocols after the reported COVID-19 cases.

As a District Municipality we have continued to render support to Local Municipalities like Thaba Chweu and Nkomazi with the refurbishment of the Waste Water Treatment Plants, the expansion of the Water Treatment Works (Sibange and Driekoppies) and we are happy to report that in Sibange most of the top infrastructure has been completed and water pipelines are being installed to reservoirs and soon the communities will be getting water supply from the schemes.

It is also crucial to also indicate the significant progress made in relation to the District Development Model (DDM). All structures are fully functional and the District One Plan has been tabled and approved by Council (A37/2021) on the 27th May 2021. At the present moment, there is significant progress on the key catalytic projects especially the Mpumalanga International Fresh Produce Market which is currently sitting at about 90% completion rate.

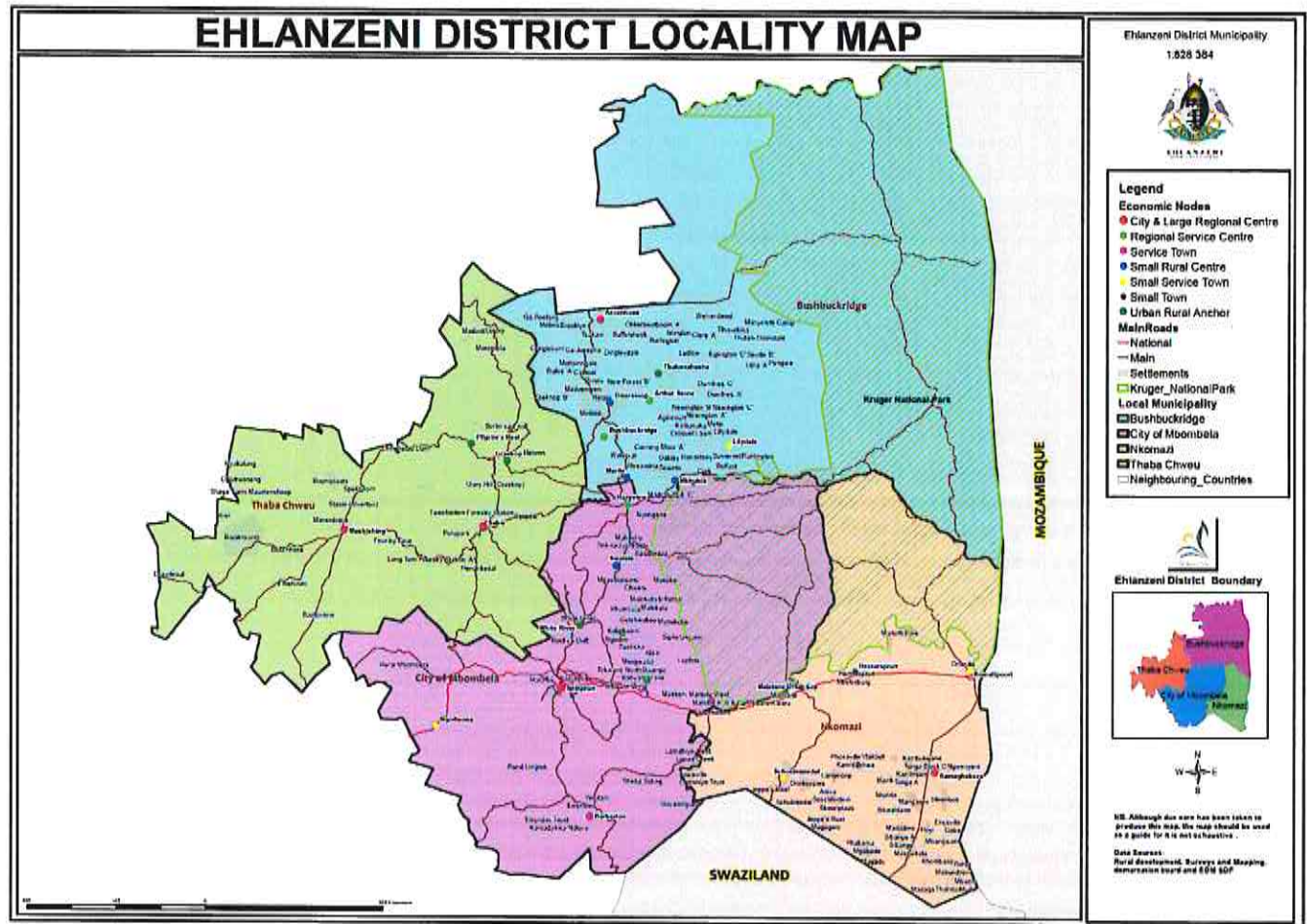
I therefore take this opportunity to present the draft Annual Report for 2020/21 for your inputs and comments.

FS SIBOZA
MUNICIPAL MANAGER

1.3 MUNICIPAL OVERVIEW

Ehlanzeni District Municipality is one of the three district municipalities which forms part of the Mpumalanga Province. The district is bordered by Mozambique and Swaziland in the southern side, Gert Sibande District in the south, Mopani and Sekhukhune Districts of Limpopo in the north and Nkangala District Municipality in the south west. It comprises of four local municipalities namely, City of Mbombela, Bushbuckridge Local Municipality, Nkomazi Local Municipality and Thaba Chweu Local Municipality.

Figure 1: Locality of the District and the Local Municipalities



The District features three border gates to both Swaziland and Mozambique (Matsamo, Lebombo and Mananga border gates) and therefore movement of people from neighbouring countries to the District, and from Gauteng to either Swaziland or Mozambique, creates a catalyst for the economic life of the area. The offices of the District Municipality are situated in Mbombela, the home of the Mpumalanga Provincial Government and the most concentrated economic hub within the Province.

The District has a total population of 1 917 082 (STATS SA Annual Estimates, 2019), which is made up as follows:

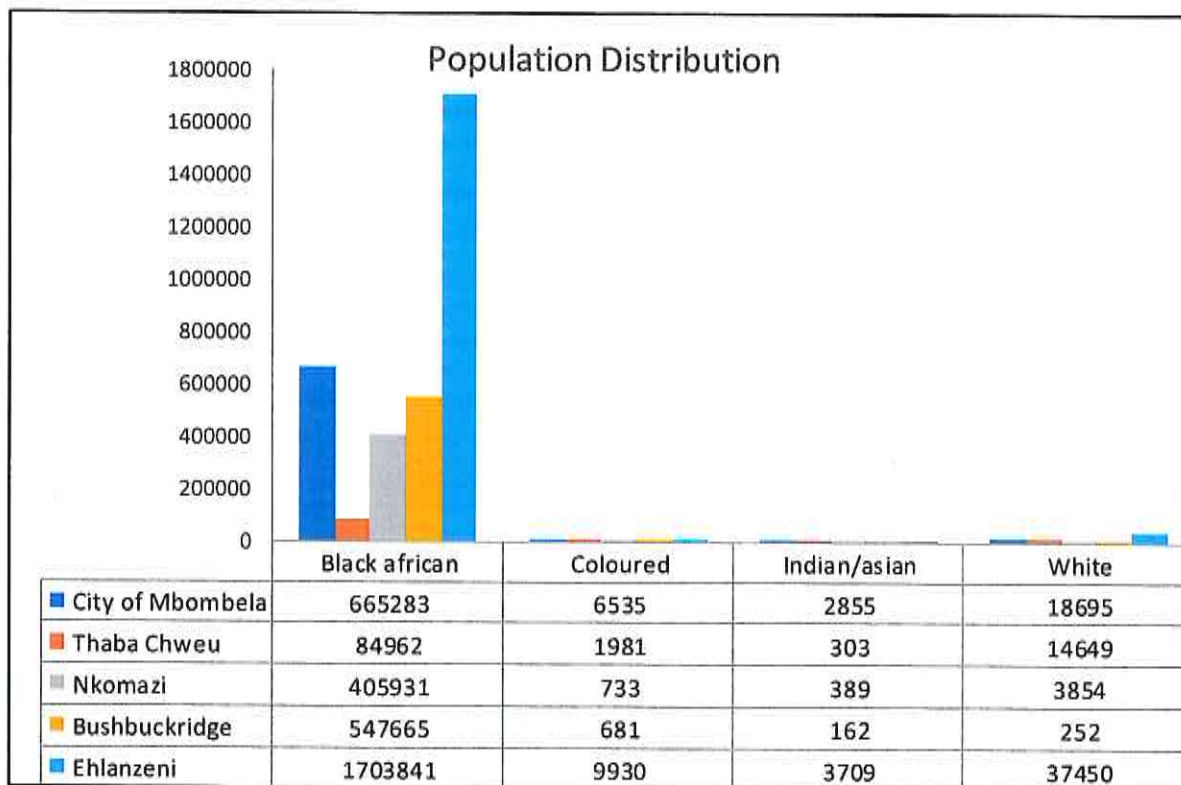
Table 1: Population distribution in the Local Municipalities

LOCAL MUNICIPALITY	CENSUS 2011	PERCENTAGE OF DISTRICT POPULATION FIGURE	COMMUNITY SURVEY 2016	PERCENTAGE OF DISTRICT POPULATION FIGURE	STATS SA ANNUAL ESTIMATES 2019	PERCENTAGE OF DISTRICT POPULATION FIGURE
Thaba Chweu	98 388	5.82%	101 895	5.80%	111699	5.82%
City of Mbombela	655 953	38.84%	693 369	39.50%	744699	38.84%
Nkomazi	393 030	23.20%	410 907	23.41%	446206	23.27%
Bushbuckridge	541 248	32.05%	548 760	31.26%	614478	32.05%
Ehlanzeni	1 688 616	100%	1 754 931	100%	1 917 082	100%

Ehlanzeni District Municipality is predominantly (70%) rural, and that poses a serious challenge in the delivery of services. The strip traversing the three adjacent Local Municipalities to the Kruger National Park (Figure 1) constitutes the former homeland area (Former Bantustan). The majority of the population of Ehlanzeni is concentrated in that region and it is critical that efforts to uplift economic livelihoods of the people be focused on in that space. Whilst the District and the Local Municipalities are working tirelessly to improve the socio-economic livelihoods through various initiatives such as constructing and improving the Rural Central Business District of towns in the deep rural areas, it would take years to ensure that the dream is realized. Municipalities were required to ensure that 75% and more of their funds were channelled to execute water and sanitation projects.

The demography of the district shows that the majority (60%) of the district population is youth aged between 14 to 35 years. The statistics on HIV and TB-related deaths shows a steady increase, however government is making a serious effort to treat the pandemic.

Figure 2: Population distribution in the Local Municipalities



Source: Statistics SA Community Survey 2016

Through the cooperative governance model, the District Municipality has developed a district wide planning framework which guides the Local Municipalities in the development of the integrated development plan, regarded as the principal strategic document for all municipalities. The process plans of the various Municipalities are aligned to the district wide framework and so are the other planning processes. These two levels of local government (Local and District) communicate continuously and ensure alignment of plans and implementation so that there are no disputes in the execution of their legislative powers and mandates. The powers and functions are closely related and must be executed in a manner which seeks to promote and improve harmony and effective service delivery. It will be biased to areas with no adequate access to the basic services as stipulated in one of the principles of the National Spatial Development Perspective Strategy.

In enhancing the relations and models of cooperative governance, the District Municipality has established various structures which are critical for its functionality in the province. Amongst these structures, there is a District Council established in terms of section 18 of the Local Government: Municipal Structures Act (Act 117 of 1998) which outlines the need for the establishment of a council to run the Municipality, the composition of that Council, membership, and operation and dissolution. The District Council includes Councillors as members who represents the various Local Municipalities so that issues from local communities may be discussed at the district level platforms.

Section (19) (2) of the Municipal Structures Act, requires a Municipal Council to annually review the needs of the community, its priorities to meet those needs, its processes for involving the communities, its organizational and delivery mechanisms for meeting the needs of the community and its overall performance in achieving the local government's objectives as set out in Section 152 of the Constitution of the RSA. During the financial year under review, Ehlanzeni District Municipality continued to strengthen the culture of community participation through the 139 wards of the district, as further referred to in Chapter 2 of this Annual Report.

These are some of the high impact projects and programmes implemented in the financial year 2020/2021 aimed at supporting a better life for all communities of Ehlanzeni. It be noted that in some instances there has been a continuation of projects/programmes from previous financial years:

- Maintenance of Water and Sanitation infrastructure
- Data Cleansing,
- Electrification (High Mast Lights)
- Continued GRAP support to local municipalities,
- Strengthening the operation of IGR forums
- LED Support and Mentorship Programme
- Visible Mayoral Programmes aimed at community consultation

1.4 ECONOMIC GROWTH

Average annual economic growth rate for Ehlanzeni at 3.1% over the period 1996 to 2017 and 2.2% since 2011 – forecasted average annual GDP growth for Ehlanzeni for 2017-2022 more or less 2% per annum.

More than 60% of the economy community services, trade (including tourism) and finance. Other important industries include agriculture (including forestry) and manufacturing (companies such as Sappi and RCL Foods). Second largest economy of the 3 districts with a contribution to the Mpumalanga economy of more or less 35% - increasing trend. The size of the economy in 2017 was estimated at R120 billion in current prices. Comparative advantage in economic industries/sectors such as agriculture and forestry, tourism, manufacturing of wood products. Tourism expenditure in the area as a % of the District GDP almost 14%, which is high in a provincial and national context – tourism spending R16 billion p/a in Ehlanzeni. Very important tourism destination.

1.5 UNEMPLOYMENT STATUS

The unemployment rate in the District is 32%, with the Local Municipality with the highest unemployment rate being Bushbuckridge with 49%. The SERO report indicates that unemployment has slightly increased in the former Nkomazi Local Municipality, whilst there is a decline in the Thaba Chweu Municipality and no other change in the other two.

Table 2: Unemployment rate in Ehlanzeni and the Local Municipalities from 2013 to 2017

Region	Unemployment Rate 2013	Unemployment Rate 2017
Thaba Chweu	20.50%	19.90%
Nkomazi	31.10%	32.40%
Bushbuckridge	49.10%	49.00%
City of Mbombela	24.80%	24.80%

Source: Statistics SA Census (1996, 2001 and 2011)

The LED Department in the district and the four local municipalities must be strengthened through creation of projects that will benefit the communities in their localities. The Department of Agriculture, Rural Development and Land Administration and the Department of Mineral Resources must also be brought on board to assist in the revival of the two mining towns, namely Barberton and Graskop.

Although significant strides have been taken by the District to curb unemployment through the EPWP Programme and other job creation initiatives, unemployment is still rife and more commitment is required from all economic sectors to address the imbalance. The Municipalities in the District need to improve in the spending of the Municipal Infrastructure Grants as some of the communities are without adequate access to basic services.

The Local Government Turn Around Strategy (LGTAS) which was introduced by the former Minister of COGTA led to the introduction of the Municipal Infrastructure Support Agency (MISA) to municipalities which have challenges in the delivery of basic services, like Bushbuckridge Local Municipality. The initiative has not yielded the expected results but there is room for improvement as the population keeps growing in the district.

The District Municipality and its Local Municipalities are still on course in their endeavour to fight against HIV/Aids, TB and other dreaded diseases. The inclusion of people with special needs in Municipalities' programmes and their appointments in positions remains a challenge.

CHAPTER 2

GOVERNANCE

COMPONENT A: GOVERNANCE STRUCTURES POLITICAL GOVERNANCE STRUCTURE

The District Municipality has a sound political governance structure that support the Executive Mayor and the Speaker. All Committees established in terms of Section 79 and 80 of the Local Government: Municipal Structures Act, 1998 have been effectively functional.

The Political Governance Structure was as follows in the FY 2020/2021

NAME AND SURNAME	FULL TIME COUNCILLORS
J Sidell	Executive Mayor
RE Khumalo	Speaker
EIT Shabangu	Chief Whip
MJ Morema	MMC for LED, Tourism and Rural Development
M Nkuna	MMC for Technical Services
RM Shongwe	MMC for Municipal Health and Environmental Management
MJ Mavuso	MMC for Corporate Services
MJ Mnisi	MMC for Finance
Selina Mashigo-Sekgobela	MMC for Social Services
TR Manyisa	MMC for Disaster Management

• COUNCIL MEETINGS

The district Council held 4 Ordinary Council meetings and 8 Special Council meetings, the Council reports were debated and concluded. The details of the meetings of Council held from 1 July 2020 to 31 June 2021 is as follows:

Meeting	Date	Venue
Special Council meeting	30 July 2020	Council Chamber (Virtual meeting)
Special Council meeting	27 August 2020	Council Chamber (Virtual meeting)
Ordinary Council meeting	29 September 2020	Council Chamber (Virtual meeting)
Ordinary Council meeting	26 November 2020	Council Chamber (Virtual meeting)
Special Council meeting	29 January 2021	Council Chamber (Virtual meeting)
Special Council meeting	26 February 2021	Council Chamber (Virtual meeting)
Ordinary Council meeting	31 March 2021	Council Chamber (Virtual meeting)
Special Council meeting	29 April 2021	Council Chamber (Virtual meeting)
Special Council meeting	27 May 2021	Council Chamber (Virtual meeting)
Ordinary Council meeting	24 June 2021	Council Chamber (Virtual meeting)
Special Council meeting	28 June 2021	Council Chamber (Virtual meeting)

The following committees are regarded as standing committees of the Speaker:

1. AGENDA COMMITTEE

- Speaker
- Mr. FS Siboza (Municipal Manager)
- Mrs. L de Wet
- Ms. S Mashego
- Mr. J Nyalunga

2. ETHICS COMMITTEE

- Speaker
- Cllr. M Chembeni – Sahi
- Cllr. MJ Mnisi (ANC)
- Cllr. BC Shongwe (EFF)
- Cllr. P Minnaar (DA)
- Cllr. GP Mkhombo (DA)

3. PORTFOLIO COMMITTEE FOR LED AND TOURISM AND RURAL DEVELOPMENT

- Cllr. MJ Morema (Chairperson)
- Cllr. ET Mkhabela (ANC)
- Cllr. ML Mnisi (ANC)
- Cllr. PC Luphoko (ANC)
- Cllr. TE Masilela (ANC)
- Cllr. H Thobakgale (DA) (Resigned)
- Cllr P Minnaar (DA)
- Cllr. DM Khoza (EFF)
- Cllr. G Nkambule (EFF)

4. PORTFOLIO COMMITTEE FOR DISASTER MANAGEMENT AND PUBLIC SAFETY

- Cllr. TR Manyisa (Chairperson)
- Cllr. DL Masilela (ANC)
- Cllr. LE Khoza (ANC)
- Cllr. SL Mkhathshwa (ANC)
- Cllr. PP Mbowane (ANC)
- Cllr. P Minnaar (DA)
- Cllr. GCB Anthony (DA)
- Cllr. R Qhibi (EFF)

5. PORTFOLIO COMMITTEE FOR CORPORATE SERVICES

- Cllr. MJ Mavuso (Chairperson)
- Cllr. TM Charles (ANC)
- Cllr. G Mathebula (ANC)
- Cllr. TM Mthombo (ANC)
- Cllr. L Mlombo (ANC) (Passed away)
- Cllr. H Thobakgale (DA) (Resigned)
- Cllr. GCB Anthony (DA)
- Cllr V Malatji (EFF)

6. PORTFOLIO COMMITTEE FOR FINANCE AND SUPPLY CHAIN MANAGEMENT

- Cllr. MJ Mnisi (Chairperson)
- Cllr. M Chembeni – Sahi (ANC)
- Cllr. NL Lukhele (ANC)
- Cllr. M Mahlangu (ANC)
- Cllr. AS Mthunywa (ANC)
- Cllr. G Mashile (BRA) (Passed away)
- Cllr. LP Mbambo (DA)

7. PORTFOLIO FOR TECHNICAL SERVICES

- Cllr. M Nkuna (Chairperson)
- Cllr. JB Mashaba (ANC)
- Cllr. GN Mogiba (ANC)
- Cllr. L Vuma (ANC)
- Cllr. L Shakwane (ANC)
- Cllr. P Gubayi (ANC)
- Cllr. GP Mkhombo (DA)
- Cllr. L Mbambo (DA)
- Cllr. G Mashile (Passed away)
- Cllr. DM Khoza (EFF)

8. PORTFOLIO COMMITTEE FOR SOCIAL SERVICES AND TRANSVERSAL PROGRAMME

- Cllr. S Mashigo-Sekgobela (Chairperson)
- Cllr. DL Masilela (ANC)
- Cllr. MJ Hlophe (ANC)
- Cllr. TG Mabuza (ANC)
- Cllr. GP Raphiri (ANC)
- Cllr. GM Nkambule (EFF)
- Cllr. NV Mathobela (DA)

9. PORTFOLIO COMMITTEE FOR MUNICIPAL HEALTH AND ENVIRONMENTAL MANAGEMENT

- Cllr. RM Shongwe (Chairperson)
- Cllr. AS Mthunywa (ANC)
- Cllr. MS Phelephe (ANC)
- Cllr. TB Sibuyi (ANC)
- Cllr. M Mahlangu (ANC)
- Cllr. E Mashele (ANC)
- Cllr. V Malatjie (EFF)
- Cllr. GP Mkhombo (DA)
- Cllr. NV Mathobela (DA)

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTERGOVERNMENTAL AND STAKEHOLDER RELATIONS

In line with chapter 3 of the Constitution of the Republic of South Africa 108 of 1996, Ehlanzeni District Municipality established seven (7) Key IGR Structures both at a Technical and Political level.

Out of the seven key IGR structures three (3) are the district clusters which are aligned to the District Planning Processes to assist as working groups which feed into the District Wide IDP Process Plan and they are as follows: Good Governance Cluster, Economic Growth and Infrastructure Development Cluster and the Social Needs Cluster. All these clusters are chaired or at some stages, co-chaired by the political heads of the respective departments.

The district has further established an MMC's Forum. The MMC's Forum promotes the culture of engagement and learning from one another through best practices and information sharing. These structures also assist in the integration of programmes from a Political level thus promoting the culture of saving on resources and maximizing government's impact on the delivery of services to communities. The MMCs' Forum meetings are being coordinated and Chaired by the respective District MMC's. The Corporate Services MMCs' Forum meeting, for example, is coordinated from the District MMC: Corporate Services' Office and is attended by all the MMCs: Corporate Services in the Local Municipalities with any additional stakeholder per invitation by the Chairperson. The District MMC's Forum meetings are scheduled to sit on a quarterly basis like all the other political structures.

Below is a list of the seven (7) key District IGR Structures in Ehlanzeni, their standing orders and frequency of meetings.

No.	STRUCTURE	COMPOSITION	SCHEDULE OF MEETINGS
1.	Mayors' Forum	The Structure is Chaired by the District Executive Mayor, attended by all Mayors in the District and by any other resource person who might be invited by the Chairperson to add value to the meeting by way of making a presentation or providing expert opinion on a particular matter.	4 Quarterly Meetings per annum. • 17/09/2020 Postponed • 01/10/2020 ✓ Only one meeting managed to sit the other two meeting was not scheduled due to the DDM Council sittings.
2.	Speakers' Forum	The Structure is Chaired by the District Speaker. It is attended by all Council Speakers in the District and any other person who might add value to the meeting.	4 Quarterly Meetings per annum. • 30/09/2020 • 11/11/2020 (Postponed) • 16/03/2021 • 17/06/2021 (Postponed) Only two meetings managed to sit.
3.	IDP Representative Forum	Chaired by the District Mayor. It is a broad stakeholder consultative Forum including all the spheres of government, private sector and NGOs.	3 Quarterly Meetings per annum. • 03/09/2020 • 13/04/2021 • 12/05/2021 All three meetings managed to sit.

No.	STRUCTURE	COMPOSITION	SCHEDULE OF MEETINGS
4.	Municipal Managers Forum	The Structure is Chaired by the District MM. It is attended by all MMs and CFOs in the District and by any other Stakeholder who might be invited by the Chairperson to add value to the Structure. The structure also serve as technical structure sits prior to the Executive Mayors Forum and deliberate on issues before submitted to the Executive Mayors Forum.	4 Quarterly meetings per annum. • 26/08/2020 • 10/12/2020 ✓ Only two meetings managed to sit, the other two meetings were not scheduled due to the DDM Technical sittings.
5.	Governance and administration Cluster	Jointly Chaired by the MMCs responsible for Corporate Services and Finance as the leading departments on Governance issues. All Units within the District, Provincial Department and Local Municipalities responsible for governance and Administration participate in this Cluster. SALGA and COGTA are critical Stakeholders in this particular Structure.	3 Quarterly meetings per annum. • 20/11/2020 • 16/02/2021 • 22/06/2021 All three meetings managed to sit.
6.	Social Needs Cluster	Chaired by the MMC responsible for Social Services. All departments within the District Municipality responsible for social matters form part of the Social Needs Cluster.	4 Quarterly meetings per annum. • 23/09/2020 • 30/09/2020 • 02/12/2020 • 03/03/2021 • 03/05/2021 All four meetings and an additional one managed to sit.
7.	Economic Growth and Infrastructure Development	Chaired by MMC's responsible for LED and Infrastructure development, All sector department business and other relevant stakeholders identified by the unit form part of the cluster	3 Quarterly meetings per annum. • 20/09/2020 • 10/11/2020 • 23/02/2021 All three meetings managed to sit.

OTHER DISTRICT IGR STRUCTURES

There is a number of Technical Structures in the District which feed into the overall functionality of the District IGR Programme. All these technical forums/structures meetings are attended by practitioners and resource persons from various planning fields. The technical meetings usually sit before the Political Forum meetings to enhance the quality of engagements during the forum meetings. Below is a list of a few structures:

- IDP Technical Forum
- Disaster Management Advisory Forum
- Municipal Health and Environmental Forum
- District HR Forum
- Public Participation Forum
- CFO's Forum
- District Communicators Forum

CHALLENGES AFFECTING THE FUNCTIONALITY OF THE DISTRICT IGR STRUCTURES

In a number of occasions our IGR structures meetings experience poor participation by various stakeholders. Due to COVID 19 pandemic affecting the Country most of our meeting were conducted virtual. COGTA is in the processes of finalising the Provincial IGR Framework which will guide the sitting of the IGR Structures and to develop the Provincial IGR Calendar to avoid clashing of meetings that require same stakeholders to attend.

ADMINISTRATIVE GOVERNANCE

The District Municipality has a fully functional administrative governance structures in place. The maintaining of the unqualified audit opinions for a period of seven years by the District Municipality is testimony to the fact that the Municipality's administrative governance is functional and fully effective. All Section 56 Managers have their performance contracts signed at the beginning of each financial year.

The Administrative Governance Structure is as follows:

NAME AND SURNAME	POSITION
FS Sibozo	Municipal Manager
RS Makwaka	General Manager: Corporate Services
HTM Nkosi	General Manager: Social Services and Disaster Management
ST Shabangu	General Manager: Municipal Health and Environmental Management
PO Mokoena	General Manager: Finance
NP Mahlalela	General Manager: LED, Tourism and Rural Development
ND Malokela	General Manager: Technical Services

The organizational structure as per **Appendix C** provides an overview of the administrative and political units in the municipality.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

PUBLIC MEETINGS

During the year under review the following community participation programmes that formed part of the Outreach Programmes were held:

PROGRAMME	DATE
Speakers Outreach at Thaba Chweu Local Municipality	31 August 2020
Speakers Outreach at Thaba Chweu Local Municipality	12 October 2020
Speakers Outreach City of Mbombela Local Municipality	19 March 2021
Speakers Outreach at Bushbuckridge Local Municipality	11 June 2021

IDP PARTICIPATION AND ALIGNMENT

Through the cooperative governance model, the District Municipality has developed a district wide planning framework which guides the Local Municipalities in the development of the integrated development plan, regarded as the principal strategic document for all municipalities. The process plans of the various Municipalities are aligned to the District wide framework and so are the other planning processes. These two levels of local government (Local and District) communicate continuously and ensure alignment of plans and implementation so that there are no disputes in the execution of their legislative powers and mandates. The powers and functions are closely related and must be executed in a manner which seeks to promote and improve harmony and effective service delivery.

Section (19) (2) of the Municipal Structures Act, requires a Municipal Council to annually review the needs of the community, its priorities to meet those needs, its processes for involving the communities, its organizational and delivery mechanisms for meeting the needs of the community and its overall performance in achieving the local government's objectives as set out in Section 152 of the Constitution of the RSA.

During the financial year under review, Ehlanzeni District Municipality continued to strengthen the culture of community participation through the 139 wards of the district, as further referred to in Chapter 2 of this Annual Report. The Municipality has a structured public participation's programme which is contained in the Public Participation Strategy.

All the wards were reported functional although the level and quality of their submission is still a matter of concern. This is despite the intervention by the Department of Cooperative Governance and Traditional Affairs (COGTA), in partnership with the District, to assist the Local Municipalities in compiling ward operational plans. In addition, the District Municipality continued to provide capacity building to Ward Committees in the five Local Municipalities and supported the initiatives, such as Immimemo and Speaker's Outreach Programmes.

Municipal support through the Integrated Municipal Support Plan included, but was not limited to, the strengthening and monitoring of community participation through the vibrant and effective ward committee system, the Ward Improvement Plans and quarterly reviews. The District Municipality has systems in place to play an oversight role on the functionality of the Ward Committees through the District Participation Forum and the Speakers Forum.

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT

According to section 62(1) (c) (i) of the Municipal Finance Management Act (MFMA), of 2003 the Accounting Officer has to establish and maintain, among others, a system of managing the risks which the municipality is faced with. Risk Management is one of management's core responsibilities, Risk Management is also an integral part of the internal processes of the municipality. It is a systematic process that is used to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Ehlanzeni District Municipality. When properly executed risk management provides reasonable assurance that the Municipality will be successful in achieving its goals and objectives.

The Municipality reviewed and approved the risk management strategy. The strategy is the foundation for a continuous risk assessment process for management and monitoring of risks on an on-going basis. The Municipality conducted its annual Enterprise-wide Risk Assessment (ERM) on 13 & 14 June 2020 to determine the magnitude of risk exposures by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks were prioritised which enabled Management to focus more time, effort and resources on the higher risk areas.

To mitigate the risks, Management implemented control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards.

The following top five (5) risks of the municipality were identified for which management mitigating controls were indicated in the IDP:

	REF No.	STRATEGIC OBJECTIVE	RISKS TO ACHIEVING STRATEGIC OBJECTIVE	CONTRIBUTING FACTORS	MITIGATING CONTROLS
1.	SR 02	ENSURE MAINSTREAMING OF MARGINALISED GROUPS	Inadequate reporting from various departments on mainstreaming issues	1. Inadequate inclusion of marginalised groups in municipal and sector department programmes 2. Failure to provide suitable and reasonable resources for the marginalised (walk ways, evacuation chairs etc...) 3. People with disabilities failing to declare of their disability in the application of employment forms 4. Poor participation and attendance by municipalities and sector department 5. None submission of reports by municipalities and departments. 6. Lack of consequence management	1. A database for disabled persons has been created 2. Employment Equity Plan reviewed and submitted to council 3. Quarterly Mainstreaming meeting are held 4. Reporting challenges to Municipal Manager 5. Sending invitations to departments 6. Conducted workshop on mainstreaming to all staff as well as Sign language training 7. Meetings for marginalized groups are held on the ground floor (DMC) 8. Established disability desk 9. Present reports to the Management and Extended management forum on mainstreaming Equity Committee
2.	SR 03	DELIVER SERVICES AND IMPLEMENT PROJECTS IN LINE WITH THE MANDATE OF EDM	Failure to deliver quality, programmes, projects and services in line with the mandate	1. Inadequate Human Resource and Budget 2. Inadequate project management (internal and external) 3. Failure to interpret the mandate of the district	FOCUS ON TOURISM, MUNICIPAL HEALTH SERVICES AND DISASTER MANAGEMENT 1. Frequent site visits 2. Enforce Service Level Agreements (SLA) between EDM and service providers

				4. Lack of awareness of the district mandate 5. Allocation of budget to projects or programmes which are not part of the mandate of the District 6. Poor alignment of IDP with district mandate 7. Lack of implementation of Spatial Planning & Land Use Management Act (SPLUMA) in the traditional areas	3. Appropriate training for internal project managers 4. Building a database for all health care waste generators 5. Appointed Environmental Health Practitioners (EHPs) to increase Human Resource (HR) in the department 6. Co-funding of projects with Private Sector 7. Approved the Tariff Policy (Municipal Health) 8. Conducted awareness of EDM's mandate to political leadership
3.	SR 04	CREATE A CONDUCTIVE ENVIRONMENT FOR DISTRICT ECONOMIC DEVELOPMENT AND GROWTH	Ineffective coordination of district economic growth programmes	1. Lack of infrastructure to enhance economic growth 2. Socio-Political instability 3. Poor governance structures 4. Non alignment of Economic development programmes (Silo Operations) 5. Total shut down of Tourism Industry due to Covid-19 6. Lack of implementation of Spatial Planning & Land Use Management Act (SPLUMA) in the traditional areas	1. Economic development clusters are held with local municipalities 2. LED strategy (tourism) developed and implemented 3. Trainings of Small, Medium and Micro Enterprises (SMMEs/ co-operatives are conducted on an annual basis 4. Implement Transversal framework with department (MOU) 5. Established the EDM Economic development forum 6. Developed a Database for Small, Medium and Micro Enterprises (SMMEs) 7. Reviewed Spatial Development Framework (SDF) adopted by Council

4.	SR 07	MANAGE PERFORMANCE	Non-adherence to IPMS processes	1. The perception that the IPMS process lacks objectivity 2. Non alignment of workplans to Job descriptions and weak supervision 3. Lack of consequence management for officials not adhering to timeframes 4. Lack of ownership of performance process by supervisors 5. Lack of capacity of officials to use system 6. Lack of accessibility of IPMS systems to officials off-site and officials with computers with out-dated software	1. Ongoing training on the IPM System 2. Operational manuals in place 3. Submission of quarterly reports 4. Departmental review sessions are conducted on quarterly basis 5. Unwillingness and late completion is reported quarterly to the Accounting Officer through the Performance Report 6. Strengthened the IPMS by increasing human resource in terms of staff numbers 7. Performance rewards being paid annually
5.	SR 13	ENSURE PRUDENT FINANCIAL MANAGEMENT	Poor financial and supply chain management	1. Collusion by officials and service providers 2. Non-compliance with financial and supply chain management statutes 3. Non-compliance with policies and procedures 4. Failure to identify possible fraud, corruption, misappropriation and theft. 5. Silo-operations within the Municipality (planning, budgeting, SDBIP) 6. Poor planning processes (not taking cost estimates into consideration) 7. Ineffective implementation of MSCOA	1. Policies and Procedures are in place 2. Asset Register in place 3. Functional Risk Management and Fraud Prevention Committee 4. Effective and functional Internal Audit Unit 5. Oversight committees in place 6. Code of Conduct (declaration of interest forms) 7. Cameras, security at the gate and new locks

				8. Outstanding commitments not taken into consideration during adjustment budget 9. Unfunded mandates being implemented 10. Delay in procurement processes (sitting of committees included) 11. Litigations having an impact on financial viability and management 12. Disasters having an impact on the financial viability and management of EDM 13. Uncertainty of the implications of the District Development Model 14. Status of policies and procedures (out-dated) having an impact on financial viability and management	8. Constant communication on fraud and corruption policies (fraud awareness) 9. External Auditors 10. Financial and SCM delegations and Standard operating procedures in place 11. Effective IT Systems 12. Competent Finance Staff 13. Support provided by GIZ on SCM issues 14. Procurement plan drafted and implemented 15. Audit action plan (internal and external)
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Mitigating control activities were consistently monitored and adapted. Periodic feedback and reports were provided by management to the Risk Management & Fraud Prevention Committee, the Audit Committee and Council on risk management processes and new risk exposures. The Municipality appointed an Independent Risk Management & Fraud Prevention Committee Chairperson who has the necessary blend of skills, competencies and attributes, including the following critical aspects:

- An in depth understanding of the Municipality's mandate and operations;
- The ability to act independently and objectively in the interest of the Municipality and
- A thorough knowledge of risk management principles and their application.

EDM has been committed to an integrity-based performance that protects and enhances its stakeholder value and reputation. It recognizes the essential role that compliance with applicable regulatory requirements plays in the governance and sustainability of its business. The Municipality has an approved Compliance Calendar and Register which was developed and implemented during the 2020-2021 financial year. It seeks to facilitate the detection and prevention of non-compliance to regulatory requirements and provides for processes and systems that facilitates the management of compliance risk and enhances regulatory compliance assurance.

An Internal Audit Unit exists within Ehlanzeni District Municipality under the control and direction of an Audit Committee.

A risk-based audit plan is compiled whereby audits are planned and executed. Furthermore, the internal audit report on matters relating to:

- Internal Control
- Accounting procedures and practices
- Performance Management
- Risk and risk management
- Loss control
- Compliance with applicable legislation

FRAUD AND ANTI-CORRUPTION STRATEGY

Ehlanzeni District Municipality subscribes to the principles of good corporate governance, which require conducting business in an honest and transparent manner. Consequently, Ehlanzeni District Municipality is committed to fighting fraudulent behaviour at all levels within the organisation. The fraud and anti-corruption Strategy (Strategy) is premised on the organisation's core ethical values driving the business of Ehlanzeni District Municipality, the development of its systems, policies and procedures, interactions with the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all municipalities, departments and other business units of Ehlanzeni District Municipality and even external stakeholders have used the Strategy as the point of reference for their conduct in relation to Ehlanzeni District Municipality.

The policy of Ehlanzeni District Municipality is zero tolerance to fraud and corruption. In addition, fraud and corruption risk assessment was conducted during the financial year and the implementation of appropriate prevention and detection controls (mitigating action plans) were implemented, monitored and reported on. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Ehlanzeni District Municipality. It is then the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate supervisor. All Managers are responsible for the detection, prevention and investigation of fraud & corruption and report all incidents and allegations of fraud and corruption to the Municipal Manager. The Municipal Manager initiates an investigation into the matter. Workshops on fraud prevention and anti-corruption were held and all employees were made aware of the fraud and anti-corruption policy and strategy.

Should employees wish to report allegations of fraud and corruption anonymously, they contact the Fraud Hotline (0800 701 701), Municipal Manager and/ or the Internal Audit Unit directly. Any fraud and corruption committed by an employee or any other person are pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- in case of employees, taking disciplinary action within a reasonable period of time after the incident;
- instituting civil action to recover losses;
- initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- Any other appropriate and legal remedy available.

Managers were required to ensure that losses or damages suffered by Ehlanzeni District Municipality as a result of all reported acts committed or omitted by an employee, or any other person were recovered from such an employee or other person if he or she was found to be liable for such losses. Fraudulent and corruption awareness were done by means of newsletters, information notices and presentations by the Risk Management Unit. Policies, processes and systems were implemented during the financial year thus the Municipality has directed and controlled its activities in a manner that enhanced corporate governance and with this approach the municipality's business was conducted within acceptable ethical standards therefore. Transparency, accountability and openness are embedded in reporting and disclosure of information, both operational and financial to all stakeholders.

Councillors' and Employees' work were governed by the municipality's rules, regulations and procedures and the Codes of Conduct for employees and Councillors to which they were expected to abide by, which included guidelines on gifts, professional and personal behaviour and conflicts of interest. Segregation of duties exists within the departmental functions and political office bearers are excluded from the procurement and tender processes.

A risk-based audit plan is compiled whereby audits are planned and executed. Furthermore, the internal audit report on matters relating to:

- Internal Control
- Accounting procedures and practices
- Performance Management
- Risk and Risk management
- Loss control
- Compliance with applicable legislation

SUPPLY CHAIN MANAGEMENT

Supply Chain Management is one of the three units within Finance the departments. Supply Chain Management is defined as the process of acquiring goods and services within the public environment in order to ensure effective, transparent and efficient service delivery in an economic manner.

There are five pillars in public procurement, namely:

- a) Value for money;
- b) Open and effective competition;
- c) Ethics and fair dealing;
- d) Accountability and reporting;
- e) Equity

There are also five elements in the supply chain environment which completes the procurement chain being:

- demand management;
- acquisition management;
- logistics management;
- disposal management; and
- supply chain performance prescribed by the MFMA: Municipal Supply Chain Regulations as well as the Supply Chain Management policy of the municipality.

Supply Chain Management is therefore not only a finance function, but the responsibility of all end-user departments and functional units as well bid committees' cross functional teams, including stakeholders and other role players involved in the implementation of the supply chain management processes within the municipality.

BY-LAWS

MUNICIPAL HEALTH BY-LAWS

Ehlanzeni District Municipality has been mandated to render Municipal Health Services in terms of the National Health Act 61, of 2003. Municipal Health Services were previously rendered by Local Municipalities, Metros and the Provincial Department of Health. In 2004 the power to render those services was transferred to the District Municipalities and Metros. This necessitated the compilation of the District By-laws on Municipal Health.

It is against this background that a resolution (Resolution No: A267/2015) was taken by majority members of the Council in line with Section 30 (2) of the Local Government Municipal Structures Act 117 of 1998, to adopt the Municipal Health By-laws, which will be effective from date of promulgation.

The purpose of the by-laws is to enable the Municipality to promote and protect the health and wellbeing of all people within the municipal area by providing an effective legal and administrative framework, in conjunction with any other applicable laws, within which the municipality can develop and manage its municipal health services obligation.

WEBSITE

The purpose of the South Africa Government website is to be the official entry point to South African government and related information. That is in response to the rapid growth of online communication by the South African government provides both opportunities and challenges to those managing the online presence of government at all times. Ehlanzeni District Municipality's website is always online deposit for government information, while also being responsive to the needs of the citizens by providing as many services as possible online. EDM websites also provides a medium for two-way interaction between government and citizens (*chatting facility*).

This is a response to the rapid growth of Internet as a key way to provide access to government information and services. We have realised that the Internet is one of the strategic communication tools to advance our objectives. We are using our website to communicate information about our functions, programmes, activities, services and products and provide a platform for users to interact with us. This is in line with the global trend by governments to implement e-government strategies, using information and communication technologies (ICTs) to give audiences over the world access to their information and services.

We are found at www.ehlanzeni.gov.za where we draw the attention of the world as we take pride of our indigenous and natural resources. Our home page provides links, among others to "GIS, EDM Disaster Management, The best of Ehlanzeni", and to our four local municipalities (City of Mbombela, Nkomazi, Bushbuckridge and Thaba Chweu).

All compliance documents are sent from our various departments within our municipality to the Communication Unit to facilitate posting. We verify it through our risk management office before being posted onto the website. The website always indicates the number of times and from where the website is visited.

The following table represents the number of visits per month during the year under review:

Months	Number of visits
July 2020	1458
August 2020	2117
September 2020	2483
October 2020	1591
November 2020	1354
December 2020	1103
January 2021	2016
February 2021	2330
March 2021	2100
April 2021	2409
May 2021	2100
June 2021	2263
Total	23324

MUNICIPAL OVERSIGHT COMMITTEES

The following oversight committee was constituted in terms of section 79 of the Local Government: Municipal Structures Act, 1998:

MUNICIPAL OVERSIGHT COMMITTEES

The following oversight committee was constituted in terms of section 79 of the Local Government: Municipal Structures Act, 1998:

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

- Cllr. TS Khoza (ANC) MPAC CHAIRPERSON
- Cllr. JJ Khoza (ANC)
- Cllr. NP Thabane (ANC)
- Cllr. ML Mkhabela (ANC)
- Cllr. NC Khoza (ANC)
- Cllr. LS Mhaule (ANC)
- Cllr. KC Chuene (EFF)
- Cllr L Matsie (BRA)
- Cllr. J Ligthelm (DA)

The MPAC structure is fully functional. A number of activities which include site visits and meetings during the 2020/2021 financial year have been carried out as follows:

Meeting	Date
1 st Special MPAC Meeting	15 July 2020
2 nd Special MPAC Meeting	13 August 2020
1 st Ordinary MPAC Meeting	10 September 2020
3 rd Special MPAC Meeting	17 September 2020
4 th Special MPAC Meeting	13 October 2020
2 nd Ordinary MPAC Meeting	16 March 2021
MPAC Strategic Session	19-21 May 2021
3 rd Ordinary MPAC Meeting	11 June 2021
5 th Special MPAC Meeting	23 June 2021

MPAC Site Visit	14 April 2021
MPAC Site Visit	20 April 2021
MPAC Site Visit	29 April 2021
MPAC Site Visit	26 May 2021

AUDIT COMMITTEE

The Audit Committee established in terms of Section 166 of the Municipal Finance Management Act comprises of the following members:

- M Secker
- K Mokoena
- S Mabilane
- S Lubisi
- Z Sibanda

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PART I)

The first section of the report, being the Introduction, gives an overview of the Vision and Mission of the Municipality and a brief reference to the legislative and policy framework in terms of which this report is compiled. An overview of the processes which lead to the compilation of the strategy (the Integrated Development Plan), the allocation of financial resources for the implementation thereof, the alignment of the organisation with the strategy, as well as the implementation plan (Service Delivery and Budget Implementation Plan) is provided in Section 2.

Section 3 presents to the reader a sense of the contents of the strategy – the goals of the institution, the strategic objectives and organisational programmes in terms of each of these strategic objectives, indicators set for the measurement of the performance on each programme and targets set in terms of these indicators. It further reflects on the Key Performance Areas of local government. The Strategy Map reflects a summary of the performance in terms of each strategic objective and is contained in Section 4. Section 5 contains the performance on the KPIs of the strategic objectives, also being referred to as the Organisational or Strategic performance report.

The detailed information on the performance of the Municipality on the organisational programmes is provided in Section 6 and is structured in tabular format in terms of each indicator. The project information provides more detail on the internal processes which informs the performance on the respective KPIs. Tracking of the project level information serves as early warning indicator for possible underperformance.

Section 7 of the report lists the roll-over projects from the previous year which were completed in the Financial Year under review. Expenditure on projects, some of which were not included in the Organisational layer of the report, are reflected per table in section 8 of the report. The report is concluded with a summary of the performance of the Municipality and the recommendations made to address the identified challenges.

Two annexures are attached to the report, namely a comparison of the performance of the Municipality for the FY2019/20 and the performance for the FY2020/21, as well as a status report on the general key performance indicators as per Section 10 of the Local Government: Municipal Planning and Performance Management Regulations (No 796, 24 August 2001) prescribed in terms of Section 43 of the Municipal Systems Act, 2000 (Act 32 of 2000 as amended).

1. INTRODUCTION

Background

This report is prepared in compliance with section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000) - herein referred to as "the MSA" - as well as section 121 of the Municipal Financial Management Act, 2003 (Act 56 of 2003) herein referred to as "the MFMA" in terms of the requirements of an Annual Performance Report. Although the report is known as the Annual Performance Report, it also forms an integral part of the Annual Report of the Municipality in terms of section 121(2)(b) and (c) of the MFMA.

In the context of local government, service delivery can be defined as the implementation of the strategy of the organisation in an efficient and effective way. The monitoring of the implementation of the strategy becomes imperative to keep the focus of all employees in the organisation, as well as that of the stakeholders of the organisation, on the strategy and specifically the implementation thereof.

Vision and Mission

The *vision* of Ehlanzeni District Municipality is to be: –
“The best performing district municipality of the 21st Century”.

The *mission* of the Municipality is as follows: –
“Ehlanzeni District Municipality shall strive to excel in planning, co-ordination and support for our Local Municipalities in consultation with all stakeholders to ensure the best standard of living for all”.

Ehlanzeni District Municipality is guided by the following values in conducting its business: –

- Transparency
- High Quality Service Delivery
- Accountability
- Service Communities with Integrity
- Efficiency
- Professionalism

2. INTEGRATED PLANNING, BUDGETING AND PERFORMANCE MANAGEMENT FOR THE 2020/2021

The strategic plan in local government is called the municipal Integrated Development Plan (to be referred to as “the IDP”). The budgetary process is the provision of resources for the implementation of the strategy (the IDP), whilst the Service Delivery and Budget Implementation Plan (to be referred to as “the SDBIP”) is the annual plan for implementation of the IDP. The alignment between the municipal Integrated Development Plan, the Budget, SDBIP and the Performance Management System is critical to ensure strategic alignment of programmes and projects with the strategy. The Performance Management System is monitoring the implementation of the SDBIP on a quarterly basis. The signing of the Performance Agreements by the Municipal Manager and the Section 56 Managers assures accountability for the implementation of the strategy (IDP).

2.1 Integrated Development Planning (IDP)

The IDP process unfolded as per the District Framework and Process Plan, coordinating all processes and structures on District level. The IDP for the FY2020/2021 was approved by Council under item A65/2020, during a Council meeting held on 18 June 2020.

2.2 District Strategic Priorities

The strategic priorities of the district are based on the reviewed Integrated Development Plan FY2020/2021. These priorities form the basis of developing the municipal objectives and outputs/targets reflecting the overall district service delivery strategy. These priorities were equally informed by policy and planning directives emanating from national and provincial government.

The table underneath reflects the Strategic Objectives and priorities of the District Municipality, in terms of the respective key performance areas for government.

Table 3: District Strategic Objectives and Priorities reflected in terms of the Key Performance Areas

District Strategic Objectives and Priorities reflected in terms of the Key Performance Areas		
Strategic Objective	District Priority or Programme	Key Performance Area
SO1 - Improve the IDP Standards of EDM and the LMs	Integrated Development Planning	Public Participation and Good Governance
SO2 - Mainstreaming of Marginalized Groups	Mainstreaming	Institutional Development and Transformation
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM	Service Delivery and Project Implementation	Service delivery and Infrastructure Development
SO4 - Create a Conducive Environment for District Economic Development and Growth	District Economic Growth	Local Economic Development
SO5 - Support Local Municipalities in Specific Areas of Need	Support to Local Municipalities	Service delivery and Infrastructure Development
SO6 - Strengthen IGR and Stakeholder Relations	IGR and Stakeholder Relations	Public Participation and Good Governance
SO7 - Manage Performance	Organisational Performance Management System	Institutional Development and Transformation
SO7 - Manage Performance	Individual Performance Management System	Institutional Development and Transformation
SO8 - Implement Monitoring and Evaluation	Monitoring and Evaluation	Institutional Development and Transformation
SO9 - Improve Staff Skills and Development	Training and Development of Staff	Institutional Development and Transformation
SO10 - Improve Internal and External Communication	Communication, Information Technology, Marketing and Branding	Institutional Development and Transformation
SO11 - Manage Organisational Risks	Risk Management	Institutional Development and Transformation
SO12 - Improve Institutional Transformation and Development	Institutional Development	Institutional Development and Transformation
SO13 - Ensure Prudent Financial Management	Implementation of Financial Management Practices	Financial Viability and Management

2.3 The Budgeting Process

The budget process unfolded simultaneously with the IDP process. The budget was approved by Council under item A67/2020 during a Council meeting held on 18 June 2020.

2.4 Alignment of the Organisation with the Strategy

After the approval of the IDP, the objectives of the departments were aligned with the strategy of the Organisation. This was followed by a process of alignment of the programmes and projects of the business units within the departments with the departmental objectives. Scorecards were drafted for the organization as well as for each department, which have informed the SDBIP and the Performance Agreements, creating a situation where all the activities and energy in the Organisation were focused on achieving the Organisational strategy.

2.5 Service Delivery and Budget Implementation Plan (SDBIP)

The SDBIP is a key element in the process of service delivery, as it provides for the cascading of the strategic level (IDP and the Budget) to a level of implementation. It therefore provides the basis for measuring performance in service delivery and spending of the budget against specific targets. An SDBIP for the FY2020/2021 was compiled to guide the implementation of projects and the spending of funds and has been signed off by the Executive Mayor on 16 July 2020.

2.6 The occurrence of the Covid-19 Pandemic and the influence thereof on performance on the predetermined objectives of the Municipality

This section on the report is reflecting information on the COVID-19-pandemic to create an understanding of how the operations of the Municipality were affected by the regulations and guidelines in terms of the declaration of the national state of disaster.

The first case of the Corona virus was reported in South Africa on 5 March 2020. A National State of Disaster, which banned all events/gatherings of more than 100 people, was declared on 15 March 2020 in terms of the Disaster Management Act, 2002 (Act 57 of 2002). Subsequently, on 23 March 2020, a national lockdown as from 26 March 2020 was pronounced. Regulations were set in place on 25 March 2020 (Regulations 43147) which restricted the movement of people and required social distancing to be maintained.

On 17 March 2020, the Department of Employment and Labour issued guidelines for employers to deal with COVID-19 at workplaces. The Department appealed to employers to apply the prescriptions of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) in particular the Hazardous Biological Agents Regulations governing workplaces, in relation to Coronavirus Disease 2019 caused by the SARS-CoV-2 virus. The Act, read with its regulations and incorporated standards, requires that employers provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risks to the health of workers and to take such steps as may be reasonably practicable to eliminate or mitigate the hazard or potential hazard. On 29 April 2020 Government Gazette No. 43257 was published by the Department of Employment and Labour with Occupational Health and Safety measures and Government Gazette 43400 on 4 June containing the Consolidated Coronavirus COVID-19 Direction on Occupational Health and Safety Measures in Workplaces. This was done in order to reduce and eliminate the escalation of COVID-19 infections in the workplace, as well as to ensure that all employers protect the health and safety of workers and members of the public who enter their workplaces or are exposed to their working activities. The purpose of these directives was to ensure that the measures taken by employers under OHS Act (85 of 1993) were consistent with the overall national strategies and policies to minimise the spread of COVID-19.

According to these directives, institutions with more than 100 employees had to, where possible, make provision for minimising the number of employees at the workplace at any given time, through rotation, staggered working hours, shift systems, remote working arrangements or similar measures, in order to achieve social distancing and to limit congestion in public transport and at the workplace. EDM respected and heeded the call by the Minister of Employment and Labour and implemented staff rotation to reduce overcrowding in offices and enabled social distancing to be observed during operations. Employees who were above 60 years of age and those with comorbidities were allowed to work from home, as they were deemed to be more vulnerable to the COVID-19 virus. Furthermore, EDM provided all employees with personal protective equipment which included hand sanitizers (with a minimum of 70% alcohol) and disposable face masks. Measures were put in place to safeguard employees when in the workplace, such as temperature monitoring.

The five-level COVID-19 alert system has been introduced to manage the gradual easing of the lockdown. This risk-adjusted approach is guided by several criteria, including the level of infections and rate of transmission, the capacity of health facilities, the extent of the implementation of public health interventions and the economic and social impact of continued restrictions. The Ministerial Advisory Committee advises the Minister of Health regarding which Alert Level should be declared nationally, provincially, in a metropolitan area, or a district, when taking into account the following factors:

- the epidemiological trends of Covid-19 infections. Epidemiological trends include a consideration of the trends in the number of tests done, number of persons screened, number of positive cases, number of recoveries and the demographic profile of the positive cases.
- the health system capacity in a specified area to respond to the disease burden; and any other factor that would influence the level of infection, hospitalisation and mortality. Health system capacity includes a consideration of the number of facilities available to support Covid-19, bed-occupancy levels for the various levels of care, human resource capacity, equipment and related resources.

The alert levels during the period under review were as follows:

- As from 1 July to 17 August 2020, alert level 3 was applicable;
- From 18 August to 20 September alert level 2 was applicable;
- From 21 September till 28 December 2020 alert level 1 was applied;
- From 29 December 2020 to 28 February 2021 an adjusted alert level 3 was applied;
- From 1 March 2021 to 30 May 2021 and adjusted alert level 1 was applicable;
- As from 31 May 2021 to 15 June 2021 an adjusted alert level 2 was applied;
- As from 16 June to 27 June 2021 and adjusted alert level 3; and
- From 28 June 2021 to 30 June 2021 an adjusted alert level 4.

An extension to timelines for the submission of Annual Financial Statements, Annual Reports, Audits and related matters in terms of the MFMA was published in MFMA Circular No 104 on 7 August 2020, in terms of the Municipal Finance Management Act, 2003(Act 56 of 2003).

2.7 Adjustment Budget

In view of the Mid Term Performance Review, an Adjustment Budget was approved by Council under item A9/2021 during the meeting held on 26 February 2021.

2.8 SDBIP review

The SDBIP was adjusted to align with the changes in terms of the implementation plan of the strategy and the adjusted budget, based on the resolutions made during the Mid Term Budget Lekgotla held during February 2021. The adjusted SDBIP was approved by Council under item A14/2021 during the meeting held on 31 March 2021.

Due to the audit on the FY2019/20 not yet been conducted, the baselines have not been adjusted to reflect those of FY2019/20. The Annual Performance Report contains the baselines for the FY2019/20, as the information was available after conclusion of the audit by AGSA.

3. DISTRICT KEY PERFORMANCE AREAS, GOALS AND OUTCOMES

The five key performance areas of local government applicable to EDM are as follows: –

1) Basic Service Delivery

This focuses on the provision of and access to basic services by communities living in the district. The District has a mandate to deliver municipal health services and disaster management. It further facilitates and promotes bulk services with regard to Basic Services, which includes water, sanitation, electricity, roads and storm-water and waste management.

2) **Financial Viability and Management**

The Municipality needs to use financial resources prudently, and according to the priorities and needs of the communities when rendering services. The Municipality must have sound and effective systems, supply chain management, financial risk management, asset management and cash flow management.

3) **Local Economic Development**

This performance area entails the district strategic approach to LED by exploiting its economic comparative advantage in order to contribute to the growth and development of the region, province and national economy. Economic sectors which offer the district the comparative advantage provide opportunities for economic growth of which, if explored through forms of direct and/or fixed investment, can result in job creation and poverty alleviation in the region. Facilitation, support and capacity building programmes to businesses is one of the most critical factors of this performance area

4) **Institutional Development and Transformation**

This focuses on priority needs of the Municipality in order to effectively render its services. It covers a range of issues which includes operational efficiency, skills development and training, transversal and HIV/TB programmes, performance management, risk management, communication and marketing, information technology support and employee wellness and motivation.

5) **Public Participation and Good Governance**

This performance area is focused on matters of effective integrated development planning, functionality of stakeholder participation processes, inter-governmental and stakeholder relations including traditional authorities, communication systems, and a mechanism to promote feedback to communities, Batho Pele and Council stability.

EDM derives its mandate and goals from *Section 83 (3) of the Municipal Structures Act of 1998* which states that a district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by: –

- (a) ensuring integrated development planning for the district as a whole;
- (b) promoting bulk infrastructural development and services for the district as a whole;
- (c) building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- (d) Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

A fifth goal was devised to cater for internal processes and systems which are vital for the institution to achieve its mandate: Building a modern and performance-driven municipality.

Based on the aforementioned legislative imperatives of the district, specific goals and outcomes were derived (as specified in *Table 4*) which form part of its broader strategy of ensuring that the aforementioned mandate stipulated in Section 83 (3) of the Municipal Structures Act is achieved.

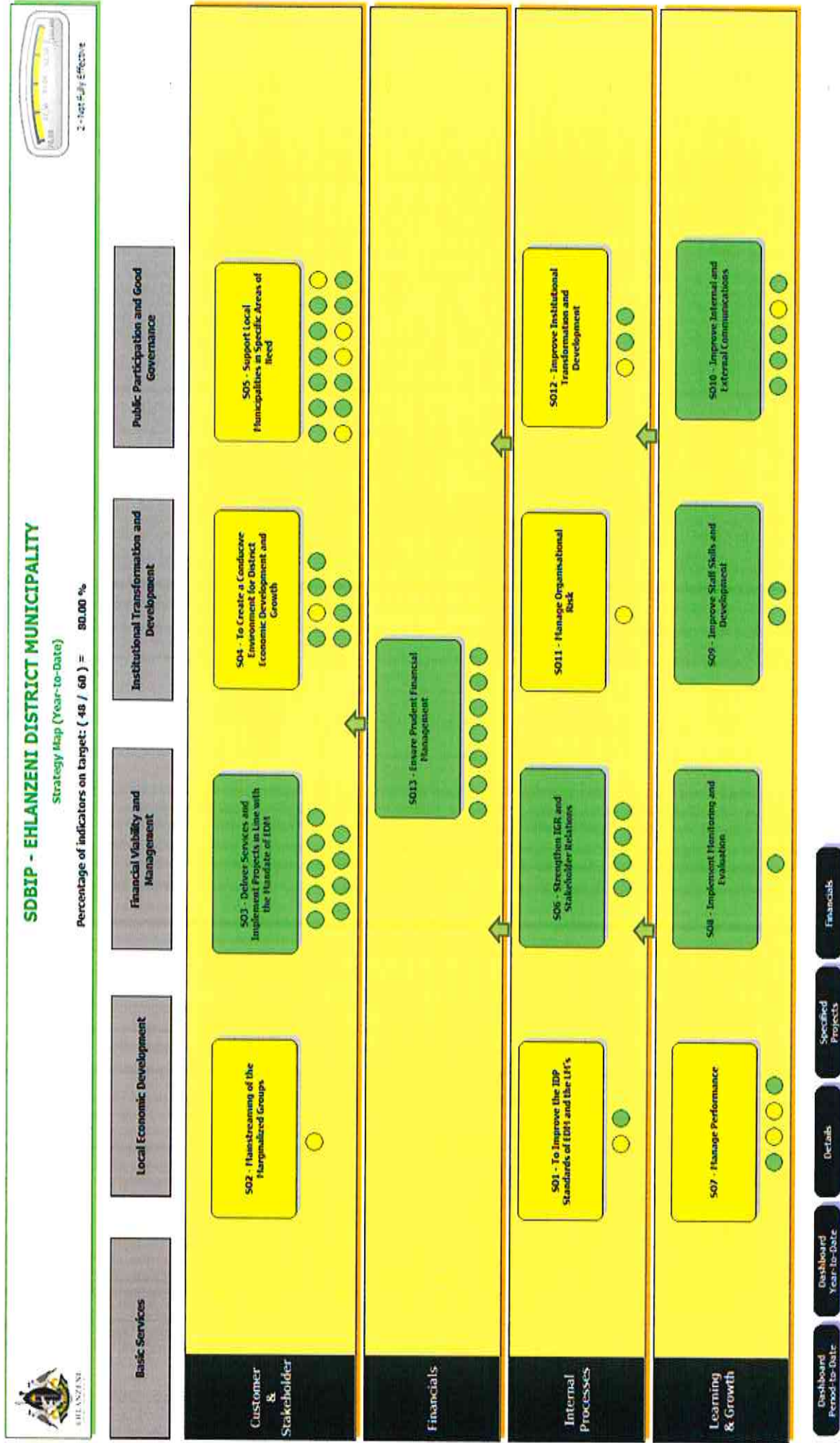
Table 4: Municipal Goals, Strategic Objectives and Key Performance Areas

GOAL	STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA
Ensuring integrated development planning for the district as a whole	SO1 - Improve the IDP Standards of EDM and the LMs	Public Participation and Good Governance
	SO2 - Mainstreaming of Marginalized Groups	Institutional Development and Transformation
Promoting sustainable livelihoods through social-economic development and service	SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM	Service delivery and Infrastructure Development
	SO4 - Create a Conducive Environment for District Economic Development and Growth	Local Economic Development
	SO5 - Support and Monitor Local Municipalities In Specific Areas of Need	Service delivery and Infrastructure Development
Building the capacity of local municipalities in its area to perform their functions an exercise their powers where such capacity is lacking	SO6 - Strengthen IGR and Stakeholder Relations	Public Participation and Good Governance
	SO7 - Manage Performance	Institutional Development and Transformation
Building a modern and performance driven municipality	SO8 - Implement Monitoring and Evaluation	Institutional Development and Transformation
	SO9 - Improve Staff Skills and Development	Institutional Development and Transformation
	SO10 - Improve Internal and External Communication	Institutional Development and Transformation
	SO11 –Manage Organisational Risk	Institutional Development and Transformation
	SO12 - Improve Institutional Transformation and Development	Institutional Development and Transformation
	SO13 - Ensure Prudent Financial Management	Financial Viability and Management

The strategic objectives of the institution are indicated on the Strategy Map (Figure 3). The strategy map is used to test the strategy hypothesis of the district municipality through the cause-and-effect relationships of the defined strategic objectives. This ensures organisational alignment and the achievement of a balanced strategy of the district.

4. PERFORMANCE SUMMARY (STRATEGY MAP) FOR 2020/2021

Figure 3: Ehlanzeni District Municipality Strategy Map



5. PERFORMANCE RESULTS FOR 2020/2021

A summary of the performance of the Municipality in terms of the targets set for FY2020/2021 is provided in Table 5 underneath.

The following legends are used to reflect the results or trends:

- | | | |
|---|----------------------------|--|
|  | Fully Effective | This legend reflects Performance that fully meets the expected standards in all areas as well as performance above expectation and outstanding performance (from 100% and above). The applicable performance will be reflected under the legend. |
|  | Not Fully Effective | Performance is below the required standards (from 50% to 99.9%). As less than fully effective results were achieved against the set targets, remedial actions need to be put into place and the implementation thereof must be monitored |
|  | Underperformed | Performance is far below the expected standard (from 0% to 49.9%). Remedial actions need to be put in place to correct performance, which includes timelines to be closely monitored to ensure progress. |

Table 5: Performance Results for 2020/2021

STRATEGIC OBJECTIVE: SO1 - To Improve the IDP Standards of EDM and the LMs									2 - Not Fully Effective
KEY PERFORMANCE AREA: Public Participation and Good Governance									
PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFOR- MANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPER- FORMANCE	REFERENCE TO DETAIL	
Integrated Development Planning	Approval of the 5 Year IDP for 2021/22 - 2025/26 FY by a specific date	The Final IDP for 2020/21FY was tabled and adopted by Council on 18 June 2020	Approval of the 5 Year IDP for 2021 / 2022 - 2025 / 2026 Financial Year by 31 May 2021	The Final Reviewed IDP for the FY2021/22 was approved by Council on 27 May 2021 (Council Resolution- A36/2021)	2 - Not Fully Effective	COGTA issued a directive that all Municipalities should not develop a 5 five-year IDP but rather consider the 2021/22 IDP as a reviewal.	None	Table 6.1.1(i) Page 56	
Integrated Development Planning	Number of Research Reports on Integrated Planning Tabled to Council	The terms of reference for the appointment of the service provider was compiled by 30 June 2020	1 Research Report on Integrated Planning Tabled to Council by 30 June 2021	1 Research Report on the state of cemeteries in Ehlanzeni District Municipality was draft- ed and tabled to Council (Resolution number A 67/2021) by 30 June 2021	3 - Fully Effective	None	None	Table 6.1.1(ii) Page 57	
STRATEGIC OBJECTIVE: SO2 - Mainstreaming of the Marginalized Groups									2 - Not Fully Effective
KEY PERFORMANCE AREA: Institutional Development and Transformation									
PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFOR- MANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPER- FORMANCE	REFERENCE TO DETAIL	
Mainstreaming	Number of Reports on the Mainstreaming of Marginalized Groups	2 reports on the main- streaming of marginal- ized groups were com- piled by 30 June 2020	4 Reports on the Main- streaming of Marginal- ized Groups by 30 June 2021	3 Reports on the Main- streaming of Marginal- ized Groups were com- piled by 30 June 2021	2 - Not Fully Effective	Non-submission of the mainstreaming reports by the Departments as a result of alert level 3 lockdown in the first quarter	Controls were strengthened and performance improved in the remaining three quarters	Table 6.2.1(i) Page 58	

KEY PERFORMANCE AREA: Service Delivery and Infrastructure Development

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Service Delivery and Project Implementation	Number of Inspections conducted on School Facilities	72 inspections on School facilities were conducted by 30 June 2020	58 Inspections Conducted on School Facilities by 30 June 2021	81 Inspections on School Facilities were conducted by 30 June 2021	3 - Fully Effective	Positive deviation was due to COVID-19 Response	None	Table 6.3.1(i) Page 59
Service Delivery and Project Implementation	Number of Inspections Conducted on Early Childhood Development Centres	132 inspections on Early Childhood Development centres were conducted by 30 June 2020	180 Inspections Conducted on Early Childhood Development Centres by 30 June 2021	248 Inspections on Early Childhood Development Centres were conducted by 30 June 2021	3 - Fully Effective	Positive deviation was due to COVID-19 Response	None	Table 6.3.1(ii) Page 60
Service Delivery and Project Implementation	Number of Inspections Conducted on Hospital Facilities	17 Inspections were conducted on Hospital facilities by 30 June 2020	28 Inspections Conducted on Hospital Facilities by 30 June 2021	28 Inspections on Hospital Facilities were conducted by 30 June 2021	3 - Fully Effective	None	None	Table 6.3.1(iii) Page 61
Service Delivery and Project Implementation	Number of Microbiological and Chemical Samples Analysed	A total number of 1075 of microbiological samples and 50 chemical samples were analysed by 30 June 2020	920 Microbiological and 44 Chemical Samples Analysed by 30 June 2021	1055 microbiological samples and 81 chemical samples were analysed by 30 June 2021	3 - Fully Effective	Positive deviation was due to increased number of water sources being monitored during the Covid-19 pandemic.	None	Table 6.3.1(iv) Page 62
Service Delivery and Project Implementation	Number of Inspections Conducted on Funeral Undertaker Facilities	83 inspections were conducted on Funeral undertaker facilities by 30 June 2020	84 Inspections Conducted on Funeral Undertaker Facilities by 30 June 2021	109 Inspections on Funeral undertaker Facilities were conducted by 30 June 2021	3 - Fully Effective	Positive deviation was due to COVID-19 Response	None	Table 6.3.1(v) Page 63
Service Delivery and Project Implementation	Number of Inspections Conducted on Clinic Facilities	77 inspections on Clinic facilities were conducted by 30 June 2020	50 Inspections Conducted on Clinic Facilities by 30 June 2021	63 Inspections on Clinic Facilities were conducted by 30 June 2021	3 - Fully Effective	Positive deviation was due to COVID-19 Response	None	Table 6.3.1(vi) Page 64

Service Delivery and Project Implementation	Number of Inspections Conducted on Food Premises	306 inspections on Food premises were conducted by 30 June 2020	224 Inspections Conducted at Food Premises by 30 June 2021	440 Inspections on food premise were conducted by 30 June 2021	3 - Fully Effective	Positive deviation was due to COVID-19 Response	None	Table 6.3.1(vii) Page 65
Service Delivery and Project Implementation	Number of Disaster Risk Management and Public Safety Awareness Campaigns Held	5 Disaster Risk Management and Public Safety awareness campaigns were held by 30 June 2020	4 Disaster Risk Management and Public Safety Awareness Campaigns Held by 30 June 2021	4 Disaster Risk Management and Public Safety Awareness Campaigns were held by 30 June 2021, in the COMLM, as follows; at Amon Nkosi Primary school in Barberton on 12 November 2020, Emoyeni Mall on 27 November 2020 and 31 March 2021 and at Day-izenza shopping complex on 14 June 2021	3 - Fully Effective	None	None	Table 6.3.1(viii) Page 66
Service Delivery and Project Implementation	Finalisation of awarding Bursaries for 2021 to students by the Bursary Committee	Bursaries to students was finalised & awarded by the Bursary Committee by 22 January 2020	Bursaries to students for 2021 finalised & awarded by the Bursary Committee by 31 March 2021	The awarding of bursaries to students was finalised by the bursary committee on 2 March 2021.	3 - Fully Effective	None	None	Table 6.3.1(ix) Page 67

STRATEGIC OBJECTIVE: SO4 - To Create a Conducive Environment for District Economic Development and Growth

2 - Not Fully Effective

KEY PERFORMANCE AREA: Local Economic Development

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
District Economic Growth	Number of LTOs/RTOs (Kruger-Lowveld, Nkomazi, Bushbuckridge and Thaba Chweu) supported with tourism development & promotion	3 LTOs/RTOs were supported with tourism development and promotion by 30 June 2020	4 LTO / RTO (Kruger-Lowveld, Nkomazi, Bushbuckridge and Thaba Chweu) Supported with Tourism Development and Promotion by 30 June 2021	5 LTO / RTO were Supported with Tourism Development and Promotion by 30 June 2021 as follows: Kruger Lowveld Chamber of Business & Tourism (KLCBT), Sabie LTO (Thaba Chweu), Bushbuckridge LTO Barberton LTO and Nkomazi LTO were Supported with Tourism Development and Promotion	3 - Fully Effective	The tourism sector opened up in the first quarter of FY 2020-21 after the initial hard lockdown. This led to the Inspections majority of LTOs and the RTO submitting requests to the district for assistance for marketing materials as well as COVID PPE support in order to ignite the tourism sector again.	None	Table 6.4.1(i) Page 68

District Economic Growth	Number of LED Stakeholder Engagements held and support to LMs (THALEDA)	3 LED cooperative engagements were held by 30 June 2020	2 LED Stakeholder Engagements held and 1 LM (THALEDA) supported by 30 June 2021	2 stakeholder engagements were held and 1 Local Municipality (THALEDA) supported as follows; stakeholder engagements hand over of first AID level 2 Certificate on 19 November 2020 in Bushbuckridge and engagement between EDM, LMs and Department of Labour and employment took place on 20 May 2021. One LM supported through the provision of an administrator and attendance of THALEDA board meeting that took place on 19 March 2021.	3 - Fully Effective	None	None	Table 6.4.1(ii) Page 69
District Economic Growth	Number of Guesthouses supported on grading requirements	4 guesthouses were provided. The names of guesthouses are: The Village lodge; Choklate Inn; Riverside Guest House and Kwasiya Guest House by 30 June 2020	4 Guesthouses Supported on Grading Requirements by 30 June 2021	5 Guesthouses were Supported on Grading Requirements by 30 June 2021. The guesthouses that were supported are: Riverside Kaia; Sagwadi boutique hotel; Kwasiya Stonehenge and Steiltes, Emoyeni Bed and Breakfast and View Inn lodge	3 - Fully Effective	There was a need identified to support more guesthouses. Support was provided to a guest house on request by the owner	None	Table 6.4.1(iii) Page 70
District Economic Growth	Number of projects implemented as part of the COVID 19 & DDM Implementation Plan	New KPI	5 Projects implemented as part of the COVID 19 & DDM Implementation Plan by 30 June 2021	3 Projects were implemented as part of the COVID 19 & DDM Implementation Plan by 30 June 2021 as follows: 1. Tools of trade and protective clothing were procured for distressed farmers; 2. District LED strategy was reviewed and economic recovery plan was developed; 3. Keller Park refurbishment was completed; 4. Rehabilitation of tourism and heritage routes in Barberton was advertised	2 - Not Fully Effective	Delay in terms of procurement processes for the undementioned projects: 1. Rehabilitation of Tourism Routes in Barberton and 2. The Design and Supervision of the Lebombo hawkers' stalls.	The annual procurement plan will be adjusted after the adjustment of the budget to include all projects	Table 6.4.1(iv) Page 71

				tised on 19 May 2021. 5. The design and supervision of the Lebombo hawkers' stalls project was advertised on 12 May 2021.						
District Economic Growth	Number of Small-Scale Farmers Supported by means of a Structured Support Programme	3 Small Scale Farmers were supported by means of a structured support programme by 30 June 2020	3 Small Scale Farmers Supported by means of a Structured Support Programme by 30 June 2021	3 Small Scale Farmers were supported by means of a Structured Support Programme by 30 June 2021. The farmers that were supported are Ngugwane Cooperative Farming; Nkabo Water Technologies and CSK Agricultural Group (Pty)Ltd.	3 - Fully Effective	None	None	Table 6.4-1(v) Page 72		
District Economic Growth	Number of Work opportunities created through the EDM Sector-based Skills Development Programme and Marshals at Hotspots Programme	179 Work opportunities were created through CID and Safety Ambassador Programme by 30 June 2020	200 Work opportunities created through EDM Sector-based Skills Development Programme and Marshals at Hotspots Programme by 30 June 2021	223 work opportunities were created by 30 June 2021, 112 through EDM Sector-based Skills Development Programme and 111 through Marshals at Hotspots Programme	3 - Fully Effective	New contracts were signed in cases of resignations	None	Table 6.4-1(vi) Page 73		
District Economic Growth	Number of SMMEs / Cooperatives Benefiting from Mentorship Programmes	4 SMMEs were supported by Ehlanzeni District Municipality for the 2019/20 Financial Year	4 SMMEs / Cooperatives Benefiting from Mentorship Programmes by 30 June 2021	4 SMMEs / Cooperatives Benefitted from Mentorship Programmes by 30 June 2021, these SMMEs are Lion Leather, Nkomazi Signs, Matsamo Cultural village and Wash and wear laundromat. Support was provided through supply of tools of trade, training and mentorship.	3 - Fully Effective	None	None	Table 6.4-1(vii) Page 74		

KEY PERFORMANCE AREA: Service Delivery and Infrastructure Development

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Support to Local Municipalities	Number of Covid-19 Workshops Implemented for Ward Committees	New KPI	11 Covid-19 Workshops Implemented for Ward Committees by 30 June 2021	11 Covid-19 Workshops for Ward Committees were implemented by 30 June 2021 as follows: City of Mbombela LM on 20 August 2020 at Manzini Community Hall, 21 August 2020 at Kabokweni Community Hall and on 08 April 2021 at Matsulu Council Chamber. In Bush-buckridge LM on 25 August 2020 at Mkhulu Community Hall, 26 August 2020 at Thulamahashe Community Hall, and 27 August 2020 at Arcornhoek Philadelpha Church. In Thaba Chweu LM on 25 August 2020 at Mashishing Community Hall, 26 August 2020 at Graskop Municipal Offices and in Nkomazi LM on 09 September 2020 at Schoemansdal Community Hall, 10 September 2020 at Mzintli Community Hall, and on 11 September 2020 at Kamaqhek-eza Community Hall	3 - Fully Effective	None	None	Table 6-5-1(i) Page 75-76

Support to Local Municipalities	% of Implementation of the Financial Support Plan for LMs	New KPI	100% Implementation of the Financial Support Plan for LMs by 30 June 2021	100% Implementation of the Financial Support Plan for LMs as follows: new project implemented at CoMLM for bank reconciliation support. Multi-year project at TCLM relating to general CRAP and financial management support. AFS reviews for LMs conducted before submission to AG by 31 October 2020.	3 - Fully Effective	None	None	Table 6.5.1(ii) Page 77
Support to Local Municipalities	Number of District Positive Living Conventions Held	No performance in the FY2019/20	1 District Positive Living Convention Held by 30 June 2021	1 District Positive Living Convention was held on 20 May 2021 at Ehlazeni District Municipality's Disaster Management Centre	3 - Fully Effective	None	None	Table 6.5.1(iii) Page 78
Support to Local Municipalities	Number of Sports Development Projects conducted	2 Sports development programmes were conducted by 30 June 2020	2 Sports Development Projects conducted by 30 June 2021	2 Sports Development projects were conducted as follows: Ehlazeni Virtual Race on 17 – 24 October 2020 and the Sports recognition awards held on 27 March 2021 at the City of Mbombela Civic Centre.	3 - Fully Effective	None	None	Table 6.5.1(iv) Page 79
Support to Local Municipalities	Number of Disability Projects Implemented	1 Disability project was implemented by 30 June 2020	3 Disability Projects Implemented by 30 June 2021	3 Disability projects were implemented as follows: Economic Empowerment Business workshop conducted on 30 September 2020 at Ehlazeni District Municipality, Albinism project (distribution of protective clothing) conducted on 17 December 2020 at Lydenburg, Graskop and Matibidi and the Executive Mayor's Disability Awards conducted on 06 May 2021 at Hazyview	3 - Fully Effective	None	None	Table 6.5.1(v) Page 80

Support to Local Municipalities	Number of Elderly Projects Implemented	1 Elderly Project Implemented by 30 June 2020	1 Elderly Project Implemented by 30 June 2021	1 Elderly project was implemented on 28 October 2020 at Kamahekeza community hall in Nkomanzi LM.	3 - Fully Effective	None	None	Table 6.5.1(vi) Page 81
Support to Local Municipalities	Number of Designs for Technical Services Projects Completed	0 of the 5 Designs for Technical Services projects were completed by 30 June 2020	2 Designs for Technical Services Projects completed by 30 June 2021	1) Technical Services Projects were completed by 30 June 2021 as follows: Goromani Water Supply Augmentation Technical Report and Designs was Completed by 30 June 2021 2) EDM Office Space 1. Building project. Appointment letter received- 30 June 2021 2. Van Niekerk junction. Final design submitted. Traffic impact study completed. Traffic study submitted to City of Mbombela and approved. Costing and designs submitted	2 - Not Fully Effective	1. None.	1. None	Table 6.5.1(vii) Page 82
Support to Local Municipalities	Number of Projects Implemented as part of the Integrated Waste Management Programme	New KPI	3 Projects Implemented as part of the Integrated Waste Management Programme by 30 June 2021	One project was implemented out of the three projects that were planned. Progress made in each project is as follows: 1. Handover of waste pickers working tools was implemented on 4 May 2021 at Mavijian Community Hall in Bushbuckridge Local Municipality. 2. An assessment was done for the fixing of the weighbridge at Steenbok Landfill site. The quotation submitted on 9 June 2021 was above the budgeted amount. 3. Assessment of all identified illegal dumping sites	2 - Not Fully Effective	Delays in implementing the planned projects due to insufficient budget.	To improve on the planning process in future	Table 6.5.1(viii) Page 83-84

					was done in collaboration with Technical Services Department and Officials in all affected LMs on the following dates: City of Mbombela and Nkomazi Local Municipality on 30 April 2021. Thaba Chweu Local Municipality on 10 May 2021.						
Support to Local Municipalities	Number of Children's Projects Implemented	2 Children's rights projects were implemented by 30 June 2020	3 Children's Projects Implemented by 30 June 2021	3 Children's programmes were implemented: Early Childhood Development Practitioners training was conducted on 24 - 27 November 2020 at Bushbuckridge, Champions for Children training was conducted on the 17 December 2020 at Good Hope Centre Mataffin (City of Mbombela) and Take a Child to work day was conducted on the 15 June 2021 at Bonginihlania High School (City of Mbombela).	3 - Fully Effective	None	None	None	Table 6.5.1(x) Page 84		
Support to Local Municipalities	Number of Speaker's Awareness Campaigns Held	New KPI	4 Speaker's Awareness Campaigns Held by 30 June 2021	7 Speakers awareness campaigns were held as follows: At Nkomazi LM, Schoemansdal, Matsamo Plaza on 14 September 2020, at Mashishing Community Hall (Thaba Chweu LM) on 19 November 2020, at Bushbuckridge LM on 20 November 2020, at Tonga Taxi Rank on 18 March 2021, in the City of Mbombela LM at Kabokweni Complex on 19 March 2021, in the City of Mbombela at Matsulu Boxer and Spar Complex on 20 May 2021 and in Nkomazi LM at Block C Taxi rank on 02 June 2021.	3 - Fully Effective	A need arose to conduct more Awareness Campaigns targeting the Hotspot Areas due to the increased number of Covid-19 cases.	None	Table 6.5.1(x) Page 85-86			

Support to Local Municipalities	Expanding of the GIS Based Municipal Health System as per the Implementation Plan by a specific date	New KPI	Expanding of the GIS Based Municipal Health System as per the Implementation Plan by 30 June 2021	The GIS Based Municipal Health System was developed by 30 June 2021	2 - Not Fully Effective	Due to the restrictions of the National state of disaster, training and project handover was not conducted. The training could not be done virtually as it needs in-contact session whereby all the system users can be practically shown on their individual devices how to use the system.	Due to the National state of Disaster, the matter was beyond the unit's control. On-site training will be scheduled once the lockdown restrictions are relaxed.	Table 6.5.1(xi) Page 86
Support to Local Municipalities	Number of Technical Services Projects Completed	2 Technical Services projects completed by 30 June 2020	10 Technical Services projects completed by 30 June 2021	4 out of 10 Technical Services projects were completed by 30 June 2021, detail progress of each project is as follows: 1. RRAMS - Visual Assessments 3021.6kms visual assessments were conducted and 4 Data files in terms of TMH18 Standard was submitted to DoT by 30 June 2021 2. Refurbishment of High mast Lights Refurbishment of high mast lights was completed by 29 June 2021 3. Refurbishment of Bulk Water and Sewer Infrastructure in Coromandel Refurbishment of Bulk Water and Sewer Infrastructure in Coromandel (Phase 1) was completed on 4 December 2020. 4. Drilling and Equipping of New Boreholes (Makoko & Teka Takho) 2	2 - Not Fully Effective	1. The asset extent was verified and assessed through field surveys. As more surveys were conducted, more data became available resulting in more visual assessments being conducted according to the extent of the assets. 2. None 3. None 4. Appointment could not be made at the time planned	1. None 2. None 3. None 4. This was addressed through the re-	Table 6.5.1(xii) Page 87-89

			Boreholes were sighted, drilled, tested for yield and quality. An application for an electrical connection was submitted to Eskom. 5- Drilling and Equipping of New Boreholes (Mrepushi) Borehole drilled. Eskom connection made, pump installed, water tank installed by 30 June 2021 6. Drilling and Equipping of New Boreholes (Boshfontein & Ngwenyeni) 2 boreholes were sighted, drilled, tested for yield & quality. An application for an electrical connection was submitted to Eskom.		due to non-responsiveness of the bidders. During evaluation a lack of understanding of how certain bid documents should be completed, was noted The Community stopped installation of the borehole in Teka-Takho due to the planned allocation not covering the whole settlement. 5- A change in scope resulted in the installation of chlorination dosing equipment, due to the high contamination levels of the water source. A change had to be made to the pump house structure to accommodate the dosing equipment. 6. During site handover Nkomazi Local Municipality indicated that the areas planned for the installation has already been serviced by a service provider appointed by the Provincial Department of Human Settlements. This delayed the project by almost three months whilst alternative sites were being identified by the local municipality.	introduction of the physical and virtual tender briefing sessions, which were put on hold due to the COVID-19 pandemic protocols. Community consultation resulted in resolving the work stoppage 5- To improve on our planning process going forward 6. Improve consultation with the local municipalities during the pre-planning of the project.
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				7. Sethlare Bulk Water Supply pipeline Construction of Sethlare Bulk Waterline was Completed on 28 April 2021	7. None	7. None
				8. Refurbishment of Boreholes (Ward 18 Bushbuckridge) Identified position of borehole. JoJo tank and stand installed, Supply line installed, control valve and cable installed, refurbishment of pump hose building, pump replaced	8. First tender not responsive, scope of project increased. During evaluation a lack of understanding of how certain bid documents should be completed, was noted	8. This was addressed through the re-introduction of the physical and virtual tender briefing sessions which were put on hold due to the COVID-19 pandemic protocols.
				9. Drilling of new Boreholes (Driekoppies & Mananga) Contractor appointed on 22 June 2021.	9. Delays experienced on the appointment of the contractor due to non-responsiveness of the bidders. During evaluation a lack of understanding of how certain bid documents should be completed, was noted	9. This was addressed through the re-introduction of the physical and virtual tender briefing sessions which were put on hold due to the COVID-19 pandemic protocols.
				10. Drilling of new Boreholes (Makaffin & Cairnside) Contractor was appointed on 14 June 2021.	10. Delays experienced on the appointment of the contractor due to non-responsiveness of the bidders. During evaluation a lack of understanding of how certain bid documents should be completed, was noted	10. This was addressed through the re-introduction of the physical and virtual tender briefing sessions which were put on hold due to the COVID-19 pandemic protocols.

Support to Local Municipalities	Number of Women Empowerment Projects Implemented	2 Women Empowerment Projects were implemented by 30 June 2020	3 Women Empowerment Projects Implemented by 30 June 2021	3 Women empowerment projects were implemented as follows: The Women's Month project on 31 August 2020 at Orange Restaurant, City of Mbombela, the 16 Days of Activism for no violence against women and children on 11 December 2020 at Mzinti Community hall, Nkomazi and Women capacity building workshop on GBV on 29-31 March 2021 in Mbangwane, Nkomazi Local Municipality.	3 - Fully Effective	None	None	Table 6.5.1(xiii) Page 90
Support to Local Municipalities	Number of Youth Projects Implemented	1 Youth Project was implemented	2 Youth Projects Implemented by 30 June 2021	2 Youth projects were implemented as follows: Backyard Youth Gardening Initiative on 03 September 2020, at Mataffin Good hope Centre and the Youth Parliament in collaboration with the Provincial Legislature on 18 June 2021 at Mpumalanga Provincial Legislature	3 - Fully Effective	None	None	Table 6.5.1(xiv) Page 91

STRATEGIC OBJECTIVE: SO6 - Strengthen IGR and Stakeholder Relations

3 - Fully Effective

KEY PERFORMANCE AREA: Public Participation and Good Governance

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
IGR and Stakeholder Relations	Number of Meetings Held by the IDP Representative Forum	1 meeting of the IDP Representative forum was held by 30 June 2020	3 Meetings Held by the IDP Representative Forum by 30 June 2021	3 meetings were held by the IDP Representative forum as follows: On 03 December 2020, 13 April and 12 May 2021.	3 - Fully Effective	None	None	Table 6.6.1(i) Page 92
IGR and Stakeholder Relations	Number of Meetings Held by the Good Governance and Administration Cluster	3 Good Governance & Administration Cluster meetings were held by 30 June 2020	3 Good Governance and Administration Cluster Meetings Held by 30 June 2021	3 Good Governance and Administration Cluster meetings were held; on 20 October 2020, 16 February 2021 and 22 June 2021.	3 - Fully Effective	None	None	Table 6.6.1(ii) Page 93

IGR and Stakeholder Relations	Number of Social Cluster Meetings Held	2 Social Cluster Forum meetings were conducted by 30 June 2020	4 Social Cluster Meetings Held by 30 June 2021	5 Social Cluster meetings were held as follows: on 23 & 30 September 2020, 02 December 2020, 03 March 2021 and 03 June 2021 at EDM	3 - Fully Effective	There were too many items for discussion in the first quarter as a result two meetings were held	None	Table 6.6.1(iii) Page 94
IGR and Stakeholder Relations	Number of Meetings Held by the Economic Growth and Infrastructure Development Cluster	3 Economic Growth and Infrastructure Development Cluster Meetings took place by 30 June 2020	2 Economic Growth and Infrastructure Meetings Held by 30 June 2021	2 Economic Growth and Infrastructure Development Cluster meetings were held as follows: On 22 September 2020 and on 10 November 2020.	3 - Fully Effective	None	None	Table 6.6.1(iv) Page 95

STRATEGIC OBJECTIVE: SO7 - Manage Performance

2 - Not Fully Effective

KEY PERFORMANCE AREA: Institutional Development and Transformation

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Organisational Performance Management System	Number of Organisational Performance Reviews Conducted	3 organisational performance reviews were conducted by 30 June 2020.	4 Organisational Performance Reviews Conducted by 30 June 2021	4 quarterly organisational performance reviews were conducted as follows: The annual performance review for the FY2019/20, as well as the quarterly review for the first quarter, mid-term and third quarter for the FY2020/21.	3 - Fully Effective	None	None	Table 6.7.1(i) Page 96
Organisational Performance Management System	SDBIP for 2021 / 2022 Signed off by the Executive Mayor within 28 days after the Approval of the Budget	SDBIP for the FY2020/21 was in process of finalisation as at 30 June 2020 as the Budget was approved on 18 June 2020	SDBIP for the Financial Year 2021 / 2022 to be Signed-Off by the Executive Mayor within 28 days after the Approval of the Budget	The SDBIP for the FY2021/22 was signed off by the Executive Mayor within 28 days after the approval of the budget. The Budget was approved on 27 May 2021 and the SDBIP was Signed off on 23 June 2021	3 - Fully Effective	None	None	Table 6.7.1(ii) Page 97
Organisational Performance Management System	Number of Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers Conducted	2 quarterly performance assessments were conducted by 30 June 2020	7 Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers Conducted by 30 June 2021	4 out of the 7 planned performance appraisals were concluded; the Annual Appraisal for the FY2018/19, the Mid Term and Third quarter of the FY2019/20 and Quarter 1 of the FY2020/21.	2 - Not Fully Effective	The impact of the AG-audit together with other internal processes affected the availability of GMs and the MM.	To compile a schedule of appraisals for the year for adoption by and monitoring by management.	Table 6.7.1(iii) Page 98

Individual Performance Management System	Completion of the 2019 / 2020 Financial Year IPMS Performance Appraisal	The IPMS Performance Appraisal for 2018/19FY was in process by 30 June 2020	IPMS Performance Appraisal for 2019 / 2020 Financial Year Completed by 30 June 2021	The PRRC sessions were conducted on 20.25, 26, 28 May 2021 and 02 & 15 June 2021 with MM and General Managers to present their Annual Individual Departmental reports for all the employees who are eligible for performance incentive.	2 - Not Fully Effective	The IPMS Performance Appraisal for FY2019 / 2020 was not finalized and the report not submitted to Council for approval due to delays with departmental moderation sessions leading to the PRRC Committee being unable to conclude the process of moderation.	To strengthen the internal controls on the IPMS processes.	Table 6.7.2(i) Page 99
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STRATEGIC OBJECTIVE: SO8 - Implement Monitoring and Evaluation

KEY PERFORMANCE AREA: Institutional Development and Transformation

3 - Fully Effective

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Monitoring and Evaluation	Number of Project Verifications Conducted	No project verifications were conducted by 30 June 2020	5 Project Verifications Conducted by 30 June 2021	5 project verifications were conducted by 30 June 2021: 1. The Setlhare Bulk water Supply Line in Bushbuckridge LM 2, the Refurbishment of Bulk Water and Sewer Infrastructure in Coromandel (Phase 1) in Thaba Chweu LM 3. Lion Leather (PTY) LTD as a beneficiary of the mentorship programme for SMME/Cooperatives 4-Nkabo Water Technologies which is one of the beneficiaries of the small-scale farmers' support programme 5. Emoyeni Bed and Breakfast being one of the guests houses supported.	3 - Fully Effective	None	None	Table 6.8.1(i) Page 100

STRATEGIC OBJECTIVE: SO9 - Improve Staff Skills and Development							3 - Fully Effective	
KEY PERFORMANCE AREA: Institutional Development and Transformation								
PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Training and Development of Staff	Percentage Qualifying Applicants (Officials) Awarded Bursaries in terms of the Bursary Policy for 2021	100% of Qualifying Applicants were Awarded Bursaries during 2019 / 2020 Financial Year	100% of Qualifying Applicants (Officials) Awarded Bursaries for 2021 by 28 February 2021	100% of Qualifying Applicants (Officials) were Awarded Bursaries in terms of the Bursary Policy for 2021 by the Bursary Committee on 8th February 2021. (A total of 18 qualifying employees were awarded Bursaries)	3 - Fully Effective	None	None	Table 6.9.4(i) Page 101
Training and Development of Staff	Number of Skills Development Programmes Implemented in terms of PDPs	26 Skills Development Programmes were implemented by 30 June 2020	12 Skills Development Programmes implemented in terms of PDPs by 30 June 2021	20 Skills Development Programmes implemented in terms of PDPs by 30 June 2021.	3 - Fully Effective	Requests received from Departments were provided for.	None	Table 6.9.4(ii) Page 102

STRATEGIC OBJECTIVE: SO10 - Improve Internal and External Communications							3 - Fully Effective
KEY PERFORMANCE AREA: Institutional Development and Transformation							

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Communication, Marketing and Branding	Number of articles featuring EDM publicised	New KPI	8 Articles featuring EDM Publicised by 30 June 2021	8 Articles featuring EDM were publicised by 30 June 2021 as follows: 1. In Mpumalanga Mirror newspaper on the Handing over of a house in Matsulu 2. In Mpumalanga Mirror newspaper on the Municipal Manager of EDM clearing bribery rumours, 3. In Mpumalanga Mirror newspaper in October on EDM addressing Gender Base Violence, 4. On the municipal web-	3 - Fully Effective	None	None	Table 6.10.1(i) Page 103

Communication, Marketing and Branding	Final and Approved Annual Report Printed and Sent to Relevant Offices (2019 / 2020 Financial Year Annual Report)	The Final Annual Report for FY2018/19 was approved by Council on 21 May 2020 council resolution number A 64/2020 and printed on 12 June 2020	Final & Approved Annual Report printed & distributed by 30 April 2021 (2019/20 FY Annual Report)	site a Christmas message in November, 5. In Sunrise Magazine a COVID19 Article, 6. In Mpumalanga Commuter on the Clearing of illegal dumping, 7. In Mpumalanga Commuter on EDM responds to disaster floods damages and 8. On the municipal website on the Profiling of EDM political & administrative leadership.		The Annual Report FY2019/20 was completed later than planned due to the delay in the finalization of the audit by AGSA	To improve on the planning process going forward by providing for legislative compliance in the KPI	Table 6.10.1(ii) Page 104
Communication, Marketing and Branding	Number of ICT Security System Vulnerability Assessment Conducted in line with Circular 103 of the MFMA	New KPI	4 ICT Security System Vulnerability Assessment Conducted in line with Circular 103 of the MFMA by 30 June 2021	4 ICT Security System Vulnerability Assessments were conducted in line with Circular 103 of the MFMA by 30th of June 2021.		None	None	Table 6.10.1(iii) Page 105
Communication, Marketing and Branding	% of Implementation of the Virtual Document Management System as per the Service Level Agreement (SLA)	New KPI	100% Implementation of the Virtual Document Management System as per the Service Level Agreement (SLA) by 30 June 2021	100% implementation of virtual document management system modules as per the Service Level Agreement by 30 June 2021		None	None	Table 6.10.1(iv) Page 106
Communication, Marketing and Branding	Number of Media Awareness Campaigns held	3 Events / Programmes Publicised through Radio Slots During the 2019 / 2020 Financial Year	8 Media Awareness Campaigns Held by 30 June 2021	12 Media awareness campaigns were conducted by 30 June 2021 as follows: 1. Women's Month Celebration, 2. Women's Month virtual gender-based programme, 3. Government message on covid-19 4. 16 days of activism through Nkomazi Community Radio Station 5. Christmas Message through Rise FM 6. New Year babies, 7. Municipal Health door to door on water treatment		Resources were focused on Covid-19 related programmes. A number of awareness programmes were undertaken and Facebook was used as social media platform to raise awareness	None	Table 6.10.1(v) Page 107

				ment, 8.EDM Technical Portfolio Committee's visit to Bushbuckridge Construction site, 9.GBV awareness campaign by Speaker's office through Facebook Flyers. 10. Speaker's outreach to Nkomazi, 11. Annual Mayoral Disability awards and 12. Take a child to work day.					
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STRATEGIC OBJECTIVE: SO11 - Manage Organisational Risk

KEY PERFORMANCE AREA: Institutional Development and Transformation

2 - Not Fully Effective

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Risk Management	Percentage Implementation of Quarterly Risk Mitigation Strategies	98 (131 out of 134 for the all the quarters) Risk Mitigation Strategies were implemented as at the 30 June 2020	100% Implementation of Quarterly Risk Mitigation Strategies by 30 June 2021	85.86%(85 out of 99 for the year) Risk Mitigation Strategies were implemented by 30 June 2021.	2 - Not Fully Effective	Risk mitigation strategies were not implemented due to the following: Provincial COGTA has not completed the process of the IGR Framework Plan which will guide the sitting of all IGR Structures in the Province and the finalization of the Provincial Calendar. The Assessor course for GMs and PRRC was not coordinated due to other internal processes Non-adherence to or slow response to requests for review of or provision of information.	None. Waiting for the finalization of the process by Provincial COGTA The Course will be conducted in the FY2021/22. Control measures be strengthened by means of a KPI on the IPMS system.	Table 6.11.1(i) Page 108-110

				Adult diapers were distributed on 11 June 2021 3. Heritage Outreach Projects No performance 4. Hotspot Outreach: Provision of Shelter to Malavuthela Secondary School at Marite Project was completed on the 5th of May 2021 5. Senior Citizens Outreach Project No performance 6. Women Outreach Projects The women's month event scheduled for the August was held on 8 December 2020 in support of 16 Days of activism against children and women abuse. Hampers for new born Christmas babies were handed over on 25 December 2020 7. Food Parcel Distribution Projects 3 projects were implemented as follows: Food parcels were distributed to the Elderly on 23 December 2020, to child headed families on 24 December 2020 and to community members in disaster-stricken areas affected by the terrestrial rains on 12-13 February 2021	3. Budget reallocated due to the Covid 19 pandemic affecting the project 4. None 5. The events (Golden games) was cancelled by the Department of Social Services due to COVID-19 6. None 7. None	3. To improve on the planning process in the future and consider the possible effect of the pandemic on projects 4. None 5. To improve on the planning process in the future and consider the possible effect of the pandemic on projects 6. None 7. None	

Institutional Development	Number of Speaker's Outreach programmes held	4 Speaker's Outreach programmes were held by 30 June 2020	4 Speaker's Outreach Projects Held by 30 June 2021	5 Speakers outreach Projects were held by 30 June 2021 as follows: On 31 August 2020 at Simile in Thaba Chweu LM, 12 October 2020 at Nkomazi LM (Mawewe Traditional Council), 19 March 2021 in the City of Mbombela LM at Zamokuhle Disabile Centre in Malekutu, 06 May 2021 in the City of Mbombela LM at Hazyview taxi rank and 11 June 2021 in Bushbuckridge LM at Magigwane High School.	3 - Fully Effective	The office of the Speaker was tasked by the Command Council to target the hotspot areas of Covid 19	None	Table 6.12.1(iii) Page 114
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STRATEGIC OBJECTIVE: SO13 - Ensure Prudent Financial Management

KEY PERFORMANCE AREA: Financial Viability and Management

3 - Fully Effective

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2020/21	RESULT	REASON FOR DEVIATION	MECHANISM TO ADDRESS UNDERPERFORMANCE	REFERENCE TO DETAIL
Implementation of Financial Management Practices	Percentage of Compliance with Budget Legislative Framework (Budget Implementation)	100% compliance with Budget Legislative Framework was achieved by 30 June 2020	100% Compliance with Budget Legislative Framework by 30 June 2021 (Budget Implementation)	100% compliance with budget legislative framework by 30 June 2021	3 - Fully Effective	None	None	Table 6.13.1(i) Page 115
Implementation of Financial Management Practices	Number of Reports on the Implementation of the Procurement Plan Submitted to Treasury	4 reports on the implementation of the procurement plan were submitted to Provincial Treasury by 30 June 2020	4 Reports on the Implementation of the Procurement Plan Submitted to Treasury by 30 June 2021	4 Procurement plan implementation reports were submitted to Provincial Treasury by 30 June 2021	3 - Fully Effective	None	none	Table 6.13.1(ii) Page 116
Implementation of Financial Management Practices	Percentage of Compliance with Budget Legislative Framework (Budget Preparations)	100% compliance with Budget Legislative Framework was achieved by 30 June 2020	100% Compliance with Budget Legislative Framework by 30 June 2021 (Budget Preparations)	100% compliance with budget legislative framework, Final budget approved on 27 May 2021 by council along with budget related policies (Council resolution no A39/2021) and submitted to NT within 10 working days	3 - Fully Effective	None	None	Table 6.13.1(iii) Page 117

Implementation of Financial Management Practices	Number of Reports on the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Submitted Council, COGTA and AGSA	New KPI	4 Reports on the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Submitted Council, COGTA and AGSA by 30 June 2021	4 Reports on the Unauthorised, Irregular, Fruitless and Wasteful Expenditure were submitted Council, COGTA and Auditor General by 30 June 2021	3 - Fully Effective	None	None	Table 6.13-1(iv) Page 118
Implementation of Financial Management Practices	Percentage of Compliance with Budget Legislative Framework (Budget Reporting)	100% compliance with Budget Legislative Framework was achieved by 30 June 2020 (Budget Reporting)	100% Compliance with Budget Legislative Framework by 30 June 2021 (Budget Reporting)	100% compliance with budget legislative framework by 30 June 2021	3 - Fully Effective	None	None	Table 6.13-1(v) Page 119
Implementation of Financial Management Practices	Development of the Audit Action Plan for 2019/20 FY	Audit Action Plan for 2018/2019 was developed by 22 December 2019.	Audit Action Plan for 2019/20 FY developed 30 days after issuance of Audit Report by Auditor General	Audit action plan for the FY2019-2020 audit was prepared after receiving the final audit report on 31 March 2021. The Action plan was prepared by 14 April 2021.	3 - Fully Effective	None	None	Table 6.13-1(vi) Page 120
Implementation of Financial Management Practices	Number of SCM Reports Submitted to the Executive Mayor within 10 working days after the end of each quarter	4 SCM Reports were submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2020	4 SCM Reports Submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2021	4 SCM reports were submitted to Executive Mayor within 10 working days after the end of each quarter by 30 June 2021	3 - Fully Effective	None	None	Table 6.13-1(vii) Page 121

6. DETAIL PERFORMANCE RESULTS FOR 2020/2021

This chapter provides more detail in terms of the internal processes which informs the performance reported per indicator in the strategic (organisational) layer of the SDBIP. The project information provides more detail on the internal processes which informs the respective KPIs. Tracking of the project level information serves as early warning indicator for possible underperformance.

This section of the report provides the detail information on performance on project level, as well as the project expenditure for projects which have been allocated a budget vote in terms of the financial management system. Some projects are part of a programme where the budget covers a number of projects. For those projects, a table has been compiled – following this section of the report, in which the expenditure on the programme is reflected.

NOTE: The reflection of the project budget and project expenditure is explained underneath:

PROJECT BUDGET: The project budget in the report reflects the adjusted budget figure after virement

OPEX: The project is not specifically budgeted for but general operational expenditure (such as Employee Salaries) is utilised to implement the project

OPEX (R0.00): The project is budgeted for in the operational budget

OPEX (Unspecified): The project has been budgeted as part of a programme. For details of the expenditure on such programmes refer to table 6.15.1 on page 122– 124.

CAPEX (R0.00): The project is budgeted for in the capital budget

6.1 SO1 –IMPROVE THE IDP STANDARDS OF EDM AND LM's (RESULT 2: - NOT FULLY EFFECTIVE ●)

6.1.1. ORGANISATIONAL PROGRAMME: INTEGRATED DEVELOPMENT PLANNING

The purpose of the programme is to ensure that the District and all its Local Municipalities develop responsive IDPs, as these documents are strategic in terms of ensuring appropriate service delivery. The programme aims at the critical role which the District Municipality has to play in terms of coordinating the Integrated Development Planning processes for the district as a whole. It further entails the district providing support and capacity in the compilation of IDPs in Local Municipalities. The development and review of sector plans and strategies is required to inform the integrated development planning process.

Table 6.1.1 (i): Approval of the 5 year IDP for 2021/22 – 2025/26 FY by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO1 - To Improve the IDP Standards of EDM and the LMs									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Approval of the 5 Year IDP for 2021/22 - 2025/26 FY by a specific date									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		COGTA issued a directive that all Municipalities should not develop a 5 five-year IDP but rather consider the FY2021/22 IDP and Budget as a reviewal.		None		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Integrated Development Plan for EDM	Approval of the 5 Year IDP for 2021 / 2022 - 2025 / 2026 Financial Year by a specific date	Approval of the 5 Year IDP for 2021/22 - 2025/26 FY by 31 May 2021	The Final Reviewed IDP for the FY2021/22 was approved by Council on 27 May 2021 (Council Resolution-A36/2021)	OPEX	OPEX	COGTA issued a directive that all Municipalities should not develop a 5 five-year IDP but rather consider the FY2021/22 IDP and Budget as a reviewal.	None	2 - Not Fully Effective	SDBIP - Strategic Planning

Table 6.1.1 (ii): Number of Research Reports on Integrated Planning tabled to Council

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO1 - To Improve the IDP Standards of EDM and the LMs									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Research Reports on Integrated Planning Tabled to Council									
Percentage performance against Annual Target for FY2020/2021		None		Reason for Deviation		Mechanism to address Underperformance		Result / Trend	
100.00 %						None		3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Research Report on Integrated Planning	Number of Research Reports on Integrated Planning Tabled to Council	1 Research Report on Integrated Planning tabled to Council by 30 June 2021	1 Research Report on the state of cemeteries in Ehlanzeni District Municipality was drafted and tabled to Council (Resolution number A 67/2021 by 30 June 2021)	OPEX R25 000	OPEX R0	None	None	3 - Fully Effective	SDBIP - Strategic Planning

6.2 SO2 - MAINSTREAMING OF THE MARGINALIZED GROUPS (RESULT: 2 – NOT FULLY EFFECTIVE)

6.2.1 ORGANISATIONAL PROGRAMME: MAINSTREAMING

In compliance with the legislative prescripts of government on mainstreaming, the programmes and projects of the District Municipality are inclusive of the previously disadvantaged and marginalised groups namely children, youth, disabled, women and the elderly.

Table 6.2.1 (i): Number of reports on the mainstreaming of marginalized groups

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO2 - Mainstreaming of the Marginalized Groups									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Reports on the Mainstreaming of Marginalized Groups									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
75.00 %		Due to non-submission of the mainstreaming reports by the Departments as a result of alert level 3 lockdown in the first quarter		Controls were strengthened and performance improved in the remaining three quarters		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Mainstreaming	Number of Reports on the Mainstreaming of Marginalized Groups	4 reports on the mainstreaming of marginalized groups by 30 June 2021	3 Reports on the Mainstreaming of Marginalized Groups were compiled by 30 June 2021.	OPEX	OPEX	Non-submission of the mainstreaming reports by the Departments as a result of alert level 3 lockdown in the first quarter	Controls were strengthened and performance improved in the remaining three quarters	2 - Not Fully Effective	SDBIP - Transversal Programmes

6.3.1 ORGANISATIONAL PROGRAMME: SERVICE DELIVERY AND PROJECT IMPLEMENTATION

The purpose of the programme is to ensure that the District fulfil its responsibilities for service delivery in accordance with its mandate through the implementation of projects

Table 6.3.1 (j): Number of inspections conducted on school facilities

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Inspections conducted on School Facilities									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
139.66 %		Positive deviation was due to COVID-19 Response		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of Inspections Conducted on School Facilities	58 Inspections conducted on School Facilities by 30 June 2021	81 Inspections on School Facility were conducted by 30 June 2021	OPEX	OPEX	Positive deviation was due to COVID-19 Response	None	3 - Fully Effective	SDBIP - Municipal Health Unit

Table 6.3.1 (ii): Number of inspections conducted on Early Childhood Development Centres

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Inspections Conducted on Early Childhood Development Centres									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
145.00 %		Positive deviation was due to COVID-19 Response		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of Inspections Conducted on Early Childhood Development Centres	180 Inspections conducted on Early Childhood Development centres by 30 June 2021	248 Inspections on Early Childhood Development Centres were conducted by 30 June 2021	OPEX	OPEX	Positive deviation was due to COVID-19 Response	None	3 - Fully Effective	SDBIP - Municipal Health Unit

Table 6.3.1 (iii): Number of Inspections conducted on hospital facilities

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Inspections Conducted on Hospital Facilities									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		None		None			3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of Inspections Conducted on Hospital Facilities	28 Inspections conducted on Hospital Facilities by 30 June 2021	28 Inspections on Hospital Facilities were conducted by 30 June 2021	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Municipal Health Unit

Table 6.3.1 (iv): Number of microbiological and chemical samples analysed

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Microbiological and Chemical Samples Analysed									
Percentage performance against Annual Target for FY2020/2021		117.95 %	Reason for Deviation		Mechanism to address Underperformance		Result / Trend		
			Positive deviation was due to an increased number of water sources being monitored during the Covid -19 pandemic.		None		 3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Microbiological & Chemical Samples	Number of Microbiological and Chemical Samples Analysed	920 Microbiological & 44 Chemical samples analysed by 30 June 2021	1055 microbiological samples and 81 chemical samples were analysed by 30 June 2021	OPEX R148 661	OPEX R103 450	Positive deviation was due to an increased number of water sources being monitored during the Covid-19 pandemic.	None	 3 - Fully Effective	SDBIP - Municipal Health Unit

Table 6.3.1 (v): Number of Inspections conducted on funeral undertaker facilities

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Inspections Conducted on Funeral Undertaker Facilities									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
129,76 %		Positive deviation was due to COVID-19 Response		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of Inspections Conducted on Funeral Undertaker Facilities	84 Inspections conducted on Funeral Undertaker Facilities by 30 June 2021	109 Inspections on Funeral undertaker Facilities were conducted by 30 June 2021	OPEX	OPEX	Positive deviation was due to COVID-19 Response	None	3 - Fully Effective	SDBIP - Municipal Health Unit

Table 6.3.1 (vi): Number of Inspections conducted on Clinic facilities

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Inspections Conducted on Clinic Facilities									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
126.00 %		Positive deviation was due to COVID-19 Response		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of Inspections Conducted on Clinic Facilities	50 Inspections conducted on Clinic Facilities by 30 June 2021	63 Inspections on Clinic Facilities were conducted by 30 June 2021	OPEX	OPEX	Positive deviation was due to COVID-19 Response	None	3 - Fully Effective	SDBIP - Municipal Health Unit

Table 6.3.1 (vii): Number of inspections conducted on food premises

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Inspections Conducted on Food Premises									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
196.43 %		Positive deviation was due to COVID-19 Response		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of inspections conducted on Food Premises	224 Inspections conducted on Food Premises by 30 June 2021	440 Inspections on food premises were conducted by 30 June 2021.	OPEX	OPEX	Positive deviation was due to COVID-19 Response	None	3 - Fully Effective	SDBIP - Municipal Health Unit

Table 6.3.1 (viii): Number of Disaster Risk Management and Public Safety Awareness Campaigns held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Disaster Risk Management and Public Safety Awareness Campaigns Held									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		None		None			 3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Disaster Risk Management and Public Safety Awareness Campaign	Number of Disaster Risk Management and Public Safety Awareness Campaigns Held	4 Disaster Risk Management and Public Safety awareness campaigns held by 30 June 2021	4 Disaster Risk Management and Public Safety Awareness Campaigns were held by 30 June 2021, in the COMLM, as follows; at Amon Nkosi Primary school in Barberton on 12 November 2020, Emoyeni Mall on 27 November 2020 and 31 March 2021 and at Dayizenza shopping complex on 14 June 2021	OPEX R271 504	OPEX R215 464	None	None	 3 - Fully Effective	SDBIP - Disaster Management and Public Safety Unit

Table 6.3.1 (ix): Finalisation of awarding Bursaries for 2021 to students by the Bursary Committee

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO3 - Deliver Services and Implement Projects in Line with the Mandate of EDM									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Finalisation of awarding Bursaries for 2021 to students by the Bursary Committee									
Percentage performance against Annual Target for FY2020/2021			Reason for Deviation		Mechanism to address Underperformance			Result / Trend	
100.00 %			None		None			3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Mayor's Bursary Program	Finalisation of Awarding Bursaries for 2021 to Students by the Bursary Committee	Bursaries to students for 2021 finalised & awarded by the Bursary Committee by 31 March 2021	The awarding of bursaries to students was finalised by the bursary committee on 2 March 2021.	OPEX R400 000	OPEX R370 000	None	None	3 - Fully Effective	SDBIP - Human Resource

6.4.1 ORGANISATIONAL PROGRAMME: DISTRICT ECONOMIC GROWTH

Table 6.4.1 (i): Number of LTO/RTO (Kruger-Lowveld, Bushbuckridge and Thaba Chweu) supported with tourism development & promotion.

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO4 - Create a Conducive Environment for District Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of LTOs/RTOs (Kruger-Lowveld, Nkomazi, Bushbuckridge and Thaba Chweu) supported with tourism development & promotion									
Percentage performance against Annual Target for FY2020/2021			Reason for Deviation		Mechanism to address Underperformance		Result / Trend		
100.00 %			The tourism sector opened up in the first quarter of FY 2020-21 after the initial hard lockdown. This led to the majority of LTOs and the RTO submitting requests to the district for assistance for marketing materials as well as COVID PPE support in order to ignite the tourism sector again.		None		3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Tourism Stakeholder Mobilisation	Number of LTOs/RTOs (Kruger-Lowveld, Nkomazi, Bushbuckridge and Thaba Chweu) supported with tourism development & promotion	4 LTO/RTO (Kruger-Lowveld, Nkomazi, Bushbuckridge and Thaba Chweu) supported with tourism development & promotion by 30 June 2021	5 LTO / RTO were Supported with Tourism Development and Promotion by 30 June 2021 as follows: Kruger Lowveld Chamber of Business & Tourism (KLCBT), Sabie LTO (Thaba Chweu), Bushbuckridge LTO Barberton LTO and Nkomazi LTO were Supported with Tourism Development and Promotion	OPEX R448 000	OPEX R294 218	The tourism sector opened up in the first quarter of FY 2020-21 after the initial hard lockdown. This led to the majority of LTOs and the RTO submitting requests to the district for assistance for marketing materials as well as COVID PPE support in order to ignite the tourism sector again.	None	3 - Fully Effective	SDBIP - LED and Tourism

Table 6.4.1 (ii): Number of LED Stakeholder Engagements held and Local Municipality entity supported (THALEDA)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
S04 - Create a Conducive Environment for District Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of LED Stakeholder Engagements held and Local Municipality entity supported (THALEDA)									
Percentage performance against Annual Target for FY2020/2021		100.00 %		Reason for Deviation		Mechanism to address Underperformance		Result / Trend	
		None				None		3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Stakeholder Engagements	Number of LED Stakeholder Engagements held and support to LMs (THALEDA)	2 LED Stakeholder Engagements held and 1 LM (THALEDA) supported by 30 June 2021	2 stakeholder engagements were held and 1 Local Municipality (THALEDA) supported as follows; stakeholder engagements hand over of first AID level 2 Certificate on 19 November 2020 in Bushbuckridge and engagement between EDM, LMs and Department of Labour and employment took place on 20 May 2021. One LM supported through the provision of an administrator and attendance of THALEDA board meeting that took place on 19 March 2021.	OPEX R123 400	OPEX R101 821	None	None	3 - Fully Effective	SDBIP - LED and Tourism

Table 6.4.1 (iii): Number of guesthouses supported on grading requirements

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO4 - Create a Conducive Environment for District Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Guesthouses supported on grading requirements									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		There was a need identified to support more guesthouses. Support was provided to a guest house on request by the owner.		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Tourism Development and Product Support	Number of Guesthouses Supported on Grading Requirements	4 Guesthouses supported on grading requirements by 30 June 2021	5 Guesthouses were Supported on Grading Requirements by 30 June 2021. The guesthouses that were supported are: Riverside Kaia; Sagwadi boutique hotel; Kwasiya Stonehenge and Steiltes, Emoyeni Bed and Breakfast and View Inn lodge	OPEX R906 400	OPEX R477 138	There was a need identified to support more guesthouses. Support was provided to a guest house on request by the owner.	None	3 - Fully Effective	SDBIP - LED and Tourism

Table 6.4.1 (iv): Number of projects implemented as part of the COVID-19 & DDM Implementation Plan

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO4 - Create a Conducive Environment for District Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of projects implemented as part of the COVID 19 & DDM Implementation Plan									
Percentage performance against Annual Target for FY2020/2021	100.00 %	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Result / Trend
Project Information Details of the projects which are implemented within this programme is reflected underneath:									
Local Economic Support Programme	Number of projects implemented as part of the COVID 19 & DDM Implementation Plan	5 Projects implemented as part of the COVID 19 & DDM Implementation Plan by 30 June 2021: Implementation of: * Keller Park refurbishment * LED Strategy & Economic recovery plan * Intervention of distressed farmers/safety and support security to farmers, * Leleboho hawkers support, * Rehabilitation and heritage in Barber-ton	3 Projects were implemented as part of the COVID 19 & DDM Implementation Plan by 30 June 2021 as follows: 1. Tools of trade and protective clothing were procured for distressed farmers; 2. District LED strategy was reviewed and economic recovery plan was developed; 3. Keller Park refurbishment was completed; 4. Rehabilitation of tourism and heritage routes in Barber-ton was advertised on 19 May 2021. 5. The design and supervision of the Leleboho hawkers' stalls project was advertised on 12 May 2021.	OPEX R785 000	OPEX R688 642	Delay in terms of procurement processes for the undermentioned projects: 1. Rehabilitation of Tourism Routes in Barber-ton and 2. The Design and Supervision of the Leleboho hawkers' stalls.	The annual procurement plan will be adjusted after the adjustment of the budget to include all projects	2 - Not Fully Effective	2 - Not Fully Effective

Table 6.4.1 (v): Number of Small-scale Farmers supported by means of a Structured Support Programme

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO4 - Create a Conducive Environment for District Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Small-Scale Farmers Supported by means of a Structured Support Programme									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		None		None			3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Farmer Production Support Unit	Number of Small-Scale Farmers Supported by means of a Structured Support Programme	3 Small Scale Farmers supported by means of a structured support programme by 30 June 2021	3 Small Scale Farmers were supported by means of a Structured Support Programme by 30 June 2021. The farmers that were supported are Ngugwane Co-operative Farming, Nkabo Water Technologies and CSK Agricultural Group (PTY)LTD.	OPEX R1 539 000	OPEX R1 113 575	None	None	3 - Fully Effective	SDBIP - Rural Development

Table 6.4.1 (vi): Number of work opportunities created through the EDM Sector-based Skills Development Programme and Marshals at Hotspots Programme

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO4 - Create a Conducive Environment for District Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Work opportunities created through the EDM Sector-based Skills Development Programme and Marshals at Hotspots Programme									
Percentage performance against Annual Target for FY2020/2021	Annual Target for FY2020/2021	Indicator	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
111.00 %	100 Work opportunities created through the EDM Sector-based Skills Development Programme by 30 June 2021	Number of Work Opportunities Created through the EDM Sector-based Skills Development Programme	112 Work opportunities were created through the EDM Sector-based Skills Development Programme by 30 June 2021	OPEX R122 661	OPEX R59 494	New contracts were signed in cases of resignation	None	3 - Fully Effective	SDBIP - LED and Tourism
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
EDM Sector-based Skills Development Programme	100 Work opportunities created through the EDM Sector-based Skills Development Programme by 30 June 2021	Number of Work Opportunities Created through the EDM Sector-based Skills Development Programme	111 Work opportunities were created through the Marshals at Hotspots Programme by 30 June 2021. 103 new contracts were signed by 30 September 2020 and additional 7 contracts were signed in the second quarter	OPEX R2 102 162	OPEX R1 712 686	New contracts were signed in cases of resignation	None	3 - Fully Effective	SDBIP - LED and Tourism

Table 6.4.1 (vii): Number of SMMEs/Cooperatives from Mentorship Programmes

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO4 - Create a Conducive Environment for District Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of SMMEs / Cooperatives Benefiting from Mentorship Programmes									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
SMME Development	Number of SMMEs / Cooperatives Benefiting from Mentorship Programmes	4 SMMEs/Cooperatives benefiting from mentorship programmes by 30 June 2021	4 SMMEs / Cooperatives Benefitted from Mentorship Programmes by 30 June 2021. These SMMEs are Lion Leather, Nkomazi Signs, Matsamo Cultural village and Wash and Wear Laundromat. Support was provided through supply of tools of trade, training and mentorship.	OPEX R506 400	OPEX R103 792	None	None	3 - Fully Effective	SDBIP - Rural Development

6.5 SO5 –SUPPORT LOCAL MUNICIPALITIES IN SPECIFIC AREAS OF NEED (RESULT: 2 – NOT FULLY EFFECTIVE ●)

6.5.1 ORGANISATIONAL PROGRAMME: SUPPORT TO LOCAL MUNICIPALITIES

In terms of Section 83 (3) of the Local Government: Municipal Structures Act, 1998, the District Municipality provides support to the Local Municipalities to perform their functions and deliver services efficiently and effectively. The support provided to the Local Municipalities is monitored through a customized model of the Integrated Municipal Support Plan of the Mpumalanga Provincial Government, which includes the Back to Basics approach introduced by National Government during September 2014.

Table 6.5.1 (i): Number of COVID-19 Workshop implemented for Ward Committees

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Covid-19 Workshops Implemented for Ward Committees									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		None		None			3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Public Participation and Consultation Process	Number of Covid-19 Workshops Implemented for Ward Committees	11 Covid 19 workshops implemented for Ward committees by 30 June 2021	11 Covid-19 Workshops for Ward Committees were implemented by 30 June 2021 as follows: <u>City of Mbombela LM</u> on 20 August 2020 at Manzini Community Hall, 21 August 2020 at Kabokweni Community Hall and on 08 April 2021 at Matsulu Council Chamber. In Bushbuckridge LM on 25 August 2020 at Mkhuhlu Community Hall, 26 August 2020 at Thulamahashe Community Hall,	OPEX R205 380	OPEX R34 570	None	None	3 - Fully Effective	SDBIP - Office of the Speaker

Table 6.5.1 (ii): % of Implementation of the Financial Support Plan for LMs

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
% of Implementation of the Financial Support Plan for LMs									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Financial Support Plan	% of implementation of the Financial Support Plan for LMs	100% implementation of the Financial Support Plan for LMs by 30 June 2021	100% Implementation of the Financial Support Plan for LMs as follows: new project implemented at CoMLM for bank reconciliation support. Multi- year project at TCLM relating to general GRAP and financial management support. AFS reviews for LMs conducted before submission to AG by 31 October 2020.	OPEX R9 037 200	OPEX R9 037 193	None	None	3 - Fully Effective	SDBIP - Budget and Reporting

Table 6.5.1 (iii): Number of District Positive Living Conventions held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of District Positive Living Conventions Held									
Percentage performance against Annual Target for FY2020/2021		None		Reason for Deviation		Mechanism to address Underperformance		Result / Trend	
100.00 %		None				None		3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Positive Living Convention	Number of District Positive Living Conventions Held	1 District Positive Living Convention held by 30 June 2021	One District Positive Living Convention was held on 20 May 2021 at Ehlanzeni District Municipality's Disaster Management Centre	OPEX R70 785	OPEX R35 018	None	None	3 - Fully Effective	SDBIP - HIV and TB

Table 6.5.1 (iv): Number of Sports Development Projects conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Sports Development Projects conducted									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
* Sports Tourism * Sports Recognition Award	Number of Sports Development Projects conducted	2 Sports Development Projects conducted by 30 June 2021	2 Sports Development projects were conducted as follows: Ehlanzeni Virtual Race on 17 – 24 October 2020 and the Sports recognition awards held on 27 March 2021 at the City of Mbombela Civic Centre.	OPEX R199 887	OPEX R198 994	None	None	3 - Fully Effective	SDBIP - Transversal Programmes

Table 6.5.1 (v): Number of Disability Projects Implemented

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Disability Projects Implemented									
Percentage performance against Annual Target for FY2020/2021		None		Reason for Deviation		Mechanism to address Underperformance		Result / Trend	
100.00 %		None				None		3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
* Economic Empowerment (Business Empowerment Workshop) *Disability Sports Day (Disability Month - Albinism Project) * Job readiness training (Mayoral Disability Awards)	Number of Disability Projects Implemented	3 Disability Projects implemented by 30 June 2021	3 Disability projects were implemented as follows: Economic Empowerment Business workshop conducted on 30 September 2020 at Ehlanzeni District Municipality, Albinism project (distribution of protective clothing) conducted on 17 December 2020 at Lydenburg, Graskop and Matibidi and the Executive Mayor's Disability Awards conducted on 06 May 2021 at Hazyview	OPEX R176 527	OPEX R166 973	None	None	3 - Fully Effective	SDBIP - Transversal Programmes

Table 6.5.1 (vi): Number of Elderly Projects Implemented

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Elderly Projects Implemented									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Advancing Health & Well-being into Old Age (Older Persons Month)	Number of Elderly Projects Implemented	1 Elderly Project implemented by 30 June 2021	1 Elderly project was conducted on 28 October 2020 at Kamaqhekeza community hall in Nkomanzi LM.	OPEX R53 090	OPEX R53 090	None	None	3 - Fully Effective	SDBIP - Transversal Programmes

Table 6.5.1 (vii): Number of Designs for Technical Services Projects completed

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Designs for Technical Services Projects Completed									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
69-44 %		EDM building: The appointment was done late due to first tender being non responsive. During evaluation a lack of understanding of how certain bid documents should be completed, was noted		This was address through the re-introduction of the physical and virtual tender briefing sessions		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Goromani Water Supply Augmentation	Completion of Technical Report and Design for Goromani Water Supply	Technical Report and Designs for Goromani Water Supply completed by 30 June 2021	Technical Report and Design for Goromani Water Supply was completed by 30 June 2021.	CAPEX R500 000	CAPEX R122 690	None	None	3 - Fully Effective	SDBIP - Water and Sanitation
EDM Office Space	Completion of design for EDM Office Space and submission to City of Mbombela	Design completed and submitted to City of Mbombela LM by 30 June 2021	1. Building project. Appointment letter received- 30 June 2021 2. Van Niekerk junction. Final design submitted. Traffic impact study completed. Traffic study submitted to City of Mbombela LM and approved. Costing and designs submitted.	CAPEX R950 000	CAPEX R74 560	EDM building: The appointment was done late due to first tender being non responsive. During evaluation a lack of understanding of how certain bid documents should be completed, was noted	This was addressed through the re-introduction of the physical and virtual tender briefing sessions which were put on hold due to the COVID-19 pandemic protocols.	1 - Underperformed	SDBIP - Roads and Transport

Table 6.5.1 (viii): Number of Projects implemented as part of the Integrated Waste Management Programme

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Projects implemented as part of the Integrated Waste Management Programme									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
50.00 %		Delays in implementing the planned projects due to insufficient budget.		To improve on the planning process in future				2 - Not Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Integrated Waste Management Programme	Number of Projects implemented as part of the Integrated Waste Management Programme	3 Projects implemented as part of the Integrated Waste Management Programme by 30 June 2021	One project was implemented out of the three projects that were planned. Progress made in each project is as follows: 1. Handover of waste pickers working tools was implemented on 4 May 2021 at Maviljan Community Hall in Bushbuckridge Local Municipality. 2. An assessment was done for the fixing of the weighbridge at Steenbok Landfill site. The quotation submitted on 9 June 2021 was above the budgeted amount. 3. Assessment of all identified illegal dumping sites was done in collaboration with Technical Services Department and Officials in all affected LMs on the following dates: City of Mbombela and Nkomazi Local Municipality on 30 April 2021. Thaba Chweu Local Municipality on 10 May 2021.	OPEX R3 945 000	OPEX R2 702 799	Delays in implementing the planned projects due to insufficient budget.	To improve on the planning process in future	 2 - Not Fully Effective	SDBIP - Municipal Health Unit

Table 6.5.1 (ix): Number of Children's Projects implemented

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Children's Projects Implemented									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		None		None			3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
* Early Childhood Development Training * Champions for Children Training * Take a Child to work Day & Child Protection Week	Number of Children's Projects Implemented	3 Children's Projects implemented by June 2021	3 Children's projects were implemented as follows: Early Childhood Development Practitioners training conducted on 24 - 27 November 2020 at Bushbuckridge, Champions for Children training conducted on 11 November 2020 at Good Hope Centre Mafaffin (City of Mbombela) and Take a Child to work day conducted on the 15 June 2021 at Bonginhlanya High School (City of Mbombela).	OPEX R149 895	OPEX R138 711	None	None	3 - Fully Effective	SDBIP - Transversal Programmes

Table 6.5.1 (x): Number of Speaker's Awareness Campaigns held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Speaker's Awareness Campaigns Held									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
150.00 %		A need arose to conduct more Awareness Campaigns targeting the Hotspot Areas due to the increased number of Covid-19 cases.		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Stakeholders and Communities Awareness	Number of Speaker's Awareness Campaigns Held	4 Awareness Campaigns held by 30 June 2021	7 Speakers awareness campaigns were held as follows: At Nkomazi LM, Schoemansdal, Matsamo Plaza on 14 September 2020, at Mashishing Community Hall (Thaba Chweu LM) on 19 November 2020, at Bushbuckridge LM on 20 November 2020, at Tonga Taxi Rank on 18 March 2021, in the City of Mbombela LM at Kabokweni Complex on 19 March 2021, in the City of Mbombela at Matsulu Boxer and Spar Complex on 20 May 2021 and in Nkomazi LM at Block C Taxi rank on 02 June 2021.	OPEX R314 000	OPEX R252 800	A need arose to conduct more Awareness Campaigns targeting the Hotspot Areas due to the increased number of Covid-19 cases.	None	3 - Fully Effective	SDBIP - Office of the Speaker

Table 6.5.1 (xi): Expanding of the GIS Based Municipal Health System as per the Implementation Plan by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Expanding of the GIS Based Municipal Health System as per the Implementation Plan by a specific date									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
75.00 %		Due to the restrictions of the National state of disaster, training and project hand over was not conducted. The training could not be done virtually as it needs in-contact session whereby all the system users can be practically shown on their individual devices how to use the system.		Due to the National state of Disaster, the matter was beyond the unit's control. On-site training will be scheduled once the lockdown restrictions are relaxed.			2 - Not Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Municipal Health System	Expanding of the GIS Based Municipal Health System as per the Implementation Plan	Expanding of the GIS based Health System the Plan by 30 June 2021	The GIS Based Municipal Health System was developed by 30 June 2021	CAPEX R792 000	CAPEX R634 100	Due to the restrictions of the National state of disaster, training and project hand over was not conducted. The training could not be done virtually as it needs in-contact session whereby all the system users can be practically shown on their individual devices how to use the system.	Due to the National state of Disaster, the matter was beyond the unit's control. On-site training will be scheduled once the lockdown restrictions are relaxed.	2 - Not Fully Effective	SDBIP - GIS

Table 6.5.1 (xii): Number of Technical Services Projects completed

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Technical Services Projects Completed									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation			Mechanism to address Underperformance			Result / Trend	
60.17 %		A variety of reasons caused the deviations from planned target. Detailed reasons are indicated per project in the table below			Mechanisms are reflected as applicable per project below			2 - Not Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
RRAMS - Visual Assessments	Number of Km's of Visual Assessments Conducted and Submission of Data to DoT in Terms of TMH18 Standards	2000kms visual assessment conducted and 4 Data in terms of TMH18 Standard submitted to DoT by 30 June 2021	3021.6kms of visual assessments were conducted and 4 Data submissions in terms of TMH18 Standard was submitted to DoT by 30 June 2021	CAPEX R2 371 000	CAPEX R1 958 642	The asset extent was verified and assessed through field surveys. As more surveys were conducted, more data became available resulting in more visual assessments being conducted according to the extent of the assets.	None	3 - Fully Effective	SDBIP - Roads and Transport
Refurbishment of High mast Light	Completion of Refurbishment of High mast Lights and Street Lights	Refurbishment of High mast Lights and Street Lights completed by 30 June 2021	Refurbishment of High mast Lights and Street Lights was completed by 29 June 2021.	CAPEX R875 000	CAPEX R800 051	None	None	3 - Fully Effective	SDBIP - Civil Services
Refurbishment of Bulk Water and Sewer Infrastructure in Coromandel	Completion of Refurbishment of Bulk Water and Sewer Infrastructure in Coromandel (Phase 1)	Refurbishment of Bulk Water & Sewer Infrastructure in Coromandel completed by 30 June 2021 (Phase 1)	Refurbishment of Bulk Water & Sewer Infrastructure in Coromandel (Phase 1) was completed on 4 December 2020	CAPEX R3 130 235	CAPEX R2 166 235	None	None	3 - Fully Effective	SDBIP - Roads and Transport

Drilling and Equipping of New Boreholes (Makoko & Teka Takho)	Number of New Boreholes Drilled and Equipped at Makoko and Teka Takho	2 Boreholes drilled and equipped at Makoko and Teka Takho by 30 June 2021	2 Boreholes were sighted, drilled, tested for yield and quality. An application for an electrical connection was submitted to Eskom.	CAPEX R1,500 000	CAPEX R603 254	Appointment could not be made at the time planned due to non-responsiveness of the bidders. During evaluation a lack of understanding of how certain bid documents should be completed, was noted The Community stopped installation of the borehole in Teka-Takho due to the planned allocation not covering the whole settlement.	This was addressed through the re-introduction of the physical and virtual tender briefing sessions, which were put on hold due to the COVID-19 pandemic protocols. Community consultation resulted in resolving the work stoppage.	 2 - Not Fully Effective	SDBIP - Civil Services
Drilling and Equipping of New Boreholes	Number of new boreholes drilled and equipped at Mattaffin and Cairnside	2 Boreholes drilled at Mattaffin and Cairnside by 30 June 2021	Contractor was appointed on 14 June 2021.			Delays experienced on the appointment of the contractor due to non-responsiveness of the bidders. During evaluation a lack of understanding of how certain bid documents should be completed, was noted	This was addressed through the re-introduction of the physical and virtual tender briefing sessions which were put on hold due to the COVID-19 pandemic protocols.	 1 - Underperformed	SDBIP - Civil Services
Drilling and Equipping of New Boreholes (Mrepushi)	Number of New Boreholes Drilled and Equipped at Mrepushi	1 Boreholes drilled and equipped at Mrepushi by 30 June 2021	Mrepushi borehole drilled. Eskom connection made, pump installed, water tank installed by 30 June 2021	CAPEX R1200 000	CAPEX R397 009	A change in scope resulted in the installation of chlorination dosing equipment, due to the high contamination levels of the water source. A change had to be made to the pump house structure to accommodate the dosing equipment.	To improve on our planning process going forward	 2 - Not Fully Effective	SDBIP - Roads and Transport

Refurbishment of Boreholes (Ward 18 Bushbuckridge)	Number of New Boreholes Refurbished at Bushbuckridge (Ward 18)	1 Borehole refurbished at Ward 18 Bushbuckridge by 30 June 2021	Identified position of borehole. JoJo tank and stand installed, Supply line installed, control valve and cable installed, refurbishment of pumphouse building, pump replaced.	CAPEX R1,875 0000	CAPEX R226 250	First tender not responsive, scope of project increased. During evaluation a lack of understanding of how certain bid documents should be completed, was noted	This was addressed through the introduction of the physical and virtual tender briefing sessions which were put on hold due to the COVID-19 pandemic protocols.	 2 - Not Fully Effective	SDBIP - Roads and Transport
Drilling and Equipping of New Boreholes (Boshfontein and Ngwenyeni)	Number of New Boreholes Drilled and Equipped at Boshfontein and Ngwenyeni	2 Boreholes drilled and equipped at Boshfontein & Ngwenyeni by 30 June 2021	2 boreholes were sighted, drilled, tested for yield & quality. An application for an electrical connection was submitted to Eskom.	CAPEX R1,875 0000	CAPEX R226 250	During site handover Nkomazi Local Municipality indicated that the areas planned for the installation has already been serviced by a service provider appointed by the Provincial Department of Human Settlements. This delayed the project by almost three months whilst alternative sites were being identified by the local municipality.	Improve consultation with the local municipalities during the pre-planning of the project.	 2 - Not Fully Effective	SDBIP - Civil Services
Drilling and Equipping of New Boreholes	Number of new boreholes drilled and equipped at Driekoppies and Mananga	2 Boreholes drilled at Driekoppies and Mananga sport field by 30 June 2021	Contractor appointed on 22 June 2021.			Delays experienced on the appointment of the contractor due to non-responsiveness of the bidders. During evaluation a lack of understanding of how certain bid documents should be completed, was noted	This was addressed through the introduction of the physical and virtual tender briefing sessions which were put on hold due to the COVID-19 pandemic protocols.	 1 - Underperformed	SDBIP - Civil Services
Sethlare Bulk Water Supply Pipeline	Completion of Sethlare Bulk Waterline Construction	Construction of Sethlare Bulk Waterline completed by 30 June 2021	Construction of Sethlare Bulk Waterline was completed on 28 April 2021.	CAPEX R3,870 200	CAPEX R3,622 168	None	None	 3 - Fully Effective	SDBIP - Civil Services

Table 6.5.1 (xiii): Number of Women Empowerment Projects Implemented

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SOs - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Women Empowerment Projects Implemented									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		None		None			3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
* Women Capacity Building Workshop * 16 days of activism * Women Programme	Number of Women empowerment Projects Implemented	3 Women Empowerment Projects implemented by 30 June 2021	3 Women empowerment projects were implemented as follows: Women's month project on 31 August 2020 at Orange Restaurant, City of Mbombela; the 16 Days of Activism for no violence against women and children was conducted on 11 December 2020 at Mzinti Community hall Nkomazi and Women capacity building workshop on GBV was held on 29-31 March 2021 in Mbangwane, Nkomazi Local Municipality.	OPEX R282 716	OPEX R254 645	None	None	3 - Fully Effective	SDBIP - Transversal Programmes

Table 6.5.1 (xiv): Number of Youth Projects implemented

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO5 - Support Local Municipalities in Specific Areas of Need									
Key Performance Area									
Service Delivery and Infrastructure Development									
Key Performance Indicator									
Number of Youth Projects Implemented									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
* SA Youth Council Project * Youth Month Project	Number of Youth Projects Implemented	2 Youth Projects implemented by 30 June 2021	2 Youth projects were implemented as follows: Backyard Youth Gardening Initiative on 03 September 2020, at Mataffin Good hope Centre and the Youth Parliament in collaboration with the Provincial Legislature on 18 June 2021 at Mpumalanga Provincial Legislature	OPEX R18 875	OPEX R18 338	None	None	3 - Fully Effective	SDBIP - Transversal Programmes

6.6 SO6 - STRENGTHEN IGR AND STAKEHOLDER RELATIONS (RESULT: 3 - FULLY EFFECTIVE ●)

6.6.1 ORGANISATIONAL PROGRAMME: IGR AND STAKEHOLDER RELATIONS

Local government's successful implementation of service delivery programmes is based on strong inter-governmental relations, as well as stakeholder relations. This is enshrined in the South African Constitution (1996) in terms of cooperative governance. It is a requirement that all spheres of government plan and execute functions in an integrated way, to the benefit of the people of the country. The purpose of this programme is therefore to ensure that there is synergy, alignment and harmonisation in the planning processes as well as in the delivery of services across the three spheres of government (national, provincial and local). There are a number of structures established in the District that play a very critical role in ensuring that government processes and service delivery priorities are achieved in an integrated way.

Table 6.6.1 (i): Number of meetings held by the IDP Representative Forum

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO6 - Strengthen IGR and Stakeholder Relations									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Meetings Held by the IDP Representative Forum									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
IDP Representative Forum	Number of Meetings Held by the IDP Representative Forum	3 meetings held by the IDP Representative Forum by 30 June 2021	3 meetings were held by the IDP Representative Forum by 30 June 2021 as follows: On 03 December 2020, 13 April and 12 May 2021.	OPEX R42 100	OPEX R27 959	None	None	3 - Fully Effective	SDBIP - Strategic Planning

Table 6.6.1 (ii): Number of Meetings Held by the Good Governance and Administration Cluster

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO6 - Strengthen IGR and Stakeholder Relations									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Meetings Held by the Good Governance and Administration Cluster									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Good Governance and Administration Cluster	Number of Meetings Held by the Good Governance and Administration Cluster	3 Good Governance and Administration Cluster meetings held by June 2021	3 Good Governance and Administration Cluster meetings were held by 30 June 2021 as follows: On 20 October 2020, 16 February 2021 and 22 June 2021 .	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - IGR

Table 6.6.1 (iii): Number of Social Cluster meetings held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO6 - Strengthen IGR and Stakeholder Relations									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Social Cluster Meetings Held									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		There were too many items for discussion in the first quarter as a result two meetings were held		None			3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Social Cluster Forum	Number of Social Cluster Meetings Held	4 Social Cluster meetings held by 30 June 2021	5 Social Cluster meetings were by 30 June 2021 as follows: On 23 & 30 September 2020, 02 December 2020, 03 March 2021 and 03 June 2021 at EDM	OPEX R53 550	OPEX R41 617	There were too many items for discussion in the first quarter as a result two meetings were held	None	3 - Fully Effective	SDBIP - Transversal Programmes

Table 6.6.1 (iv): Number of meetings held by the Economic Growth and Infrastructure Development Cluster

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO6 - Strengthen IGR and Stakeholder Relations									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Meetings Held by the Economic Growth and Infrastructure Development Cluster									
Percentage performance against Annual Target for FY2020/2021			100.00 %	None	Reason for Deviation		Mechanism to address Underperformance		Result / Trend
							None		3 - Fully Effective
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Economic Growth and Infrastructure Development Cluster - IDP	Number of Meetings Held by the Economic Growth and Infrastructure Development Cluster	2 Economic Growth & Infrastructure Development Cluster meetings by 30 June 2021	2 Economic Growth & Infrastructure Development Cluster meetings were held by 30 June 2021 as follows: On 22 September 2020 and on 10 November 2020.	OPEX R4 891	OPEX R4 890	None	None	3 - Fully Effective	SDBIP - LED and Tourism

6.7.1 ORGANISATIONAL PROGRAMME: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

This programme is based on the requirements of Chapter 6 of the Municipal Systems Act (Act 32 of 2000). A holistic approach to performance management is followed in the Municipality in order to support management processes and effective delivery of services in the District. This programme is focused on the establishment and implementation of a Performance Management System in the District, which includes the Organisational and the Individual Performance Management System.

Table 6.7.1 (i): Number of organisational performance reviews conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
S07 - Manage Performance									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Organisational Performance Reviews Conducted									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None				3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Organisational Performance Reviews	Number of Organisational Performance Reviews Conducted	4 Organisational performance reviews conducted by 30 June 2021	4 organisational performance reviews were conducted by 30 June 2021 as follows: The annual for the FY2019/20, the first quarter, second quarter and third quarter for the FY2020/21.	OPEX Ro	OPEX Ro	None	None	3 - Fully Effective	SDBIP - Performance Management

Table 6.7.1 (ii): SDBIP for 2021/22 signed off by the Executive Mayor within 28 days after the approval of the budget

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO7 - Manage Performance									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
SDBIP for 2021 / 2022 Signed off by the Executive Mayor within 28 days after the Approval of the Budget									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None				3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
SDBIP for the Financial Year 2021 / 2022	SDBIP for 2021 / 2022 Signed off by the Executive Mayor within 28 days after the Approval of the Budget	SDBIP for the FY2021/22 to be signed off by the Executive Mayor within 28 days after the approval of the budget	The SDBIP for the FY2021/22 was signed off by the Executive Mayor within 28 days after the approval of the budget. The Budget was approved on 27 May 2021 and the SDBIP was signed off on 23 June 2021	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Performance Management

Table 6.7.1 (iii): Number of quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO7 - Manage Performance									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers Conducted									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
57.14 %		The impact of the AG-audit together with other internal processes affected the availability of GMs and the MM.		To compile a schedule of appraisals for the year for adoption by and monitoring by management.		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers	Number of Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers Conducted	7 Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted by 30 June 2021	4 out of the 7 planned performance appraisals were concluded; the Annual Appraisal for the FY2018/19, the Mid Term and Third quarter of the FY2019/20 and Quarter 1 of the FY2020/21.	OPEX	OPEX	The impact of the AG-audit together with other internal processes affected the availability of GMs and the MM.	To compile a schedule of appraisals for the year for adoption by and monitoring by management.	2 - Not Fully Effective	SDBIP - Performance Management

6.7.2 ORGANISATIONAL PROGRAMME: INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

The cascading of performance to all levels of the organisation is a critical process to a successful and functional performance management system. All employees take part in the Individual Performance Management System to ensure that the vision and mandate of the District is achieved. The legislative framework for the district to cascade its PMS is mainly derived from Local Government Municipal Systems Act and the Policy Framework of the Municipality.

Table 6.7.2 (i): Completion of the 2019/20 FY IPMS performance appraisal

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
S07 - Manage Performance									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Completion of the 2019 / 2020 Financial Year IPMS Performance Appraisal									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
75.00 %		The IPMS Performance Appraisal for FY2019 / 2020 was not finalized and the report was not submitted to Council for approval due to delays with departmental moderation sessions leading to the PRRC Committee being unable to conclude the process of moderation.		To strengthen the internal controls on the IPMS processes.		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Performance Appraisals	Completion of the 2019 / 2020 Financial Year IPMS Performance Appraisal	IPMS Performance Appraisal for 2019/20 FY completed by 30 June 2021	The PRRC sessions were conducted on 20,25,26,28 May 2021 and 02 & 15 June 2021 with MM and General Managers to present their Annual Individual Departmental reports for all the employees who are eligible for performance incentive.	OPEX	OPEX	The IPMS Performance Appraisal for FY2019/2020 was not finalized and the report was not submitted to Council for approval due to delays with departmental moderation sessions leading to the PRRC Committee being unable to conclude the process of moderation.	To strengthen the internal controls on the IPMS processes.	2 - Not Fully Effective	SDBIP IPMS

6.8 SO8 - IMPLEMENT MONITORING AND EVALUATION (RESULT 3 – FULLY EFFECTIVE ●)

6.8.1 ORGANISATIONAL PROGRAMME: MONITORING AND EVALUATION

The District Municipality has successfully implemented performance management in as far as monitoring of implementation of the municipal strategy is concerned, but has realised that the evaluation of the impact of service delivery needs to be receiving more focus. The monitoring and evaluation framework forms the basis of these processes and will assist the Municipality to paint a district-wide picture in terms of status and impact of service delivery.

Table 6.8.1 (i): Number of project verifications conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO8 - Implement Monitoring and Evaluation									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Project Verifications Conducted									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		None		None			3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Project Verification	Number of Project Verifications Conducted	5 project verifications conducted by 30 June 2021	5 project verifications were conducted by 30 June 2021: 1.The Setlhare Bulk water Supply Line in Bushbuckridge LM 2.the Refurbishment of Bulk Water and Sewer Infrastructure in Coromandel (Phase 1) in Thaba Chweu LM 3. Lion Leather (PTY) LTD as a beneficiary of the mentorship programme for SMME/Cooperatives 4. Nkabo Water Technologies which is one of the beneficiaries of the small-scale farmers' support programme 5. Emoyeni Bed and Breakfast being one of the guests houses supported.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Performance Management

6.9 S09 - IMPROVE STAFF SKILLS AND DEVELOPMENT (RESULT: 3 - FULLY EFFECTIVE)

6.9.1 ORGANISATIONAL PROGRAMME: TRAINING AND DEVELOPMENT OF STAFF

The staff complement within any organisation is the vehicle for the implementation of the strategy. The training of staff members ensures that the Municipality will become a centre of excellence which will improve service delivery in the institution and also indirectly within the Local Municipalities through the provision of technical support.

Table 6.9.1 (i): Percentage qualifying applicants (officials) awarded Bursaries in terms of the Bursary Policy for 2021

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO9 - Improve Staff Skills and Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Percentage Qualifying Applicants (Officials) Awarded Bursaries in terms of the Bursary Policy for 2021									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Awarded Bursaries to Officials	Percentage Qualifying Applicants (Officials) Awarded Bursaries in terms of the Bursary Policy for 2021	100% of qualifying applicants (officials) awarded bursaries for 2021 by 28 February 2021	100% of Qualifying Applicants (Officials) were Awarded Bursaries in terms of the Bursary Policy for 2021 by the Bursary Committee on 8th February 2021. (A total of 18 qualifying employees were awarded bursaries)	OPEX R407 720	OPEX R377 141	None	None	3 - Fully Effective	SDBIP - Human Resource

Table 6.9.1 (ii): Number of Skills Development Programmes implemented in terms of PDPs

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO9 - Improve Staff Skills and Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Skills Development Programmes Implemented in terms of PDPs									
Percentage performance against Annual Target for FY2020/2021	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
100.00 %	Number of Skills Development Programmes Implemented in terms of PDPs	12 Skills Development Programmes implemented in terms of PDPs by 30 June 2021	20 Skills Development Programmes were implemented in terms of PDPs by 30 June 2021.	OPEX R1 262 491	OPEX R954 956	Requests received from Departments were provided for	None	3 - Fully Effective	SDBIP - Human Resource
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Skills Development Programme	Number of Skills Development Programmes Implemented in terms of PDPs	12 Skills Development Programmes implemented in terms of PDPs by 30 June 2021	20 Skills Development Programmes were implemented in terms of PDPs by 30 June 2021.	OPEX R1 262 491	OPEX R954 956	Requests received from Departments were provided for	None	3 - Fully Effective	SDBIP - Human Resource

6.10 SO10 - IMPROVE INTERNAL AND EXTERNAL COMMUNICATIONS (RESULT: 3 - FULLY EFFECTIVE ●)

6.10.1 ORGANISATIONAL PROGRAMME: COMMUNICATION, MARKETING AND BRANDING

Internal and external communication is critical for the effective functioning of any organisation. This programme contains a number of communication activities to market the District in terms of service delivery.

Table 6.10.1 (i): Number of articles featuring EDM publicised

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO10 - Improve Internal and External Communications									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of articles featuring EDM publicised									
Percentage performance against Annual Target for FY2020/2021			Reason for Deviation		Mechanism to address Underperformance		Result / Trend		
100.00 %			None		None		3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Marketing of EDM	Number of Articles featuring EDM Publicised	8 Articles featuring EDM publicised by 30 June 2021	8 Articles featuring EDM were published by 30 June 2021 as follows: 1. In Mpumalanga Mirror newspaper on the Handing over of a house in Matsulu 2. In Mpumalanga Mirror newspaper on the Municipal Manager of EDM clearing bribery rumours, 3.On Mpumalanga Mirror newspaper in October on EDM addressing Gender Base Violence, 4.In the municipal website a Christmas message in November, 5.In Sunrise Magazine a COVID19 Article, 6.In Mpumalanga Commuter on the Clearing of illegal dumping, 7.In Mpumalanga Commuter on EDM responds to disaster floods damages and 8. On the municipal website on the Profiling of EDM political & administrative leadership.	OPEX R879 520	OPEX R879 462	None	None	3 - Fully Effective	SDBIP - Communication

Table 6.10.1 (ii): Final and approved Annual Report printed and sent to relevant offices (2019/2020 Financial Year Annual Report)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO10 - Improve Internal and External Communications									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Final and Approved Annual Report Printed and Sent to Relevant Offices (2019 / 2020 Financial Year Annual Report)									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		The Annual Report FY2019/20 was completed later than planned due to the delay in the finalization of the audit by AGSA		To improve on the planning process going forward by providing for legislative compliance in the KPI		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Coordination of the Annual Report Departmental Submissions	Final and Approved Annual Report Printed and Sent to Relevant Offices (2019 / 2020 Financial Year Annual Report)	Final & Approved Annual Report printed & distributed by 30 April 2021 (2019/20 FY Annual Report)	The final Approved Annual Report was approved by Council on 30 June 2021	OPEX Budget included in the table above 4.10.1(i)	OPEX Expenditure included in the table above 4.10.1(i)	The Annual Report FY2019/20 was completed later than planned due to the delay in the finalization of the audit by AGSA	To improve on the planning process going forward by providing for legislative compliance in the KPI	2 - Not Fully Effective	SDBIP - Communication

Table 6.10.1 (iii): Number of ICT Security System vulnerability assessment conducted in line with Circular 103 of the MFMA

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO10 - Improve Internal and External Communications									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of ICT Security System Vulnerability Assessment Conducted in line with Circular 103 of the MFMA									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None				3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
ICT Security System Improvement	Number of ICT Security System Vulnerability Assessments Conducted in line with Circular 103 of the MFMA	4 ICT Security System Vulnerability Assessments conducted in line with Circular 103 of the MFMA by 30 June 2021	4 ICT Security System Vulnerability Assessments were conducted in line with Circular 103 of the MFMA by 30 June 2021.	OPEX R5 081 100	OPEX R 5 081 053	None	None	3 - Fully Effective	SDBIP - Information Technology

Table 6.10.1 (iv): % of Implementation of the Virtual Document Management System as per the Service Level Agreement (SLA)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO10 - Improve Internal and External Communications									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
% of Implementation of the Virtual Document Management System as per the Service Level Agreement (SLA)									
Percentage performance against Annual Target for FY2020/2021			Reason for Deviation		Mechanism to address Underperformance		Result / Trend		
100.00 %			None		None		3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Virtual Document Management System	% of Implementation of the Virtual Document Management System as per the Service Level Agreement (SLA)	100% Implementation of the Virtual Document Management System as per the Service Level Agreement (SLA) by 30 June 2021	100% implementation of virtual document management system modules as per the Service Level Agreement by 30 June 2021	CAPEX R1 000 000	CAPEX R975 817	None	None	3 - Fully Effective	SDBIP - Information Technology

Table 6.10.1 (v): Number of Media Awareness Campaigns held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO10 - Improve Internal and External Communications									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Media Awareness Campaigns held									
Percentage performance against Annual Target for FY2020/2021	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Result / Trend	
150.00 %	Number of Media Awareness Campaigns Held	8 Media Awareness Campaigns held by 30 June 2021	12 Media awareness campaigns were conducted by 30 June 2021 as follows: 1.Women's Month Celebration, 2.Women's Month virtual gender-based programme, 3.Government message on covid-19 4. 16days of activism through Nkomazi Community Radio Station 5. Christmas Message through Rise FM 6.New Year babies, 7.Municipal Health door to door on water treatment, 8.EDM Technical Portfolio Committee's visit to Bushbuckridge Construction site, 9.GBV awareness campaign by Speaker's office through Facebook Flyers. 10. Speaker's outreach to Nkomazi, 11.Annual Mayoral Disability awards and 12.Take a child to work day.	OPEX R 100 000	OPEX R52 028	Resources were focused on Covid-19 related programmes. A number of awareness programmes were undertaken and Facebook was used as social media platform to raise awareness	None	3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Media Awareness Campaigns	Number of Media Awareness Campaigns Held	8 Media Awareness Campaigns held by 30 June 2021	12 Media awareness campaigns were conducted by 30 June 2021 as follows: 1.Women's Month Celebration, 2.Women's Month virtual gender-based programme, 3.Government message on covid-19 4. 16days of activism through Nkomazi Community Radio Station 5. Christmas Message through Rise FM 6.New Year babies, 7.Municipal Health door to door on water treatment, 8.EDM Technical Portfolio Committee's visit to Bushbuckridge Construction site, 9.GBV awareness campaign by Speaker's office through Facebook Flyers. 10. Speaker's outreach to Nkomazi, 11.Annual Mayoral Disability awards and 12.Take a child to work day.	OPEX R 100 000	OPEX R52 028	Resources were focused on Covid-19 related programmes. A number of awareness programmes were undertaken and Facebook was used as social media platform to raise awareness	None	3 - Fully Effective	SDBIP - Communication

6.11 SO11 - MANAGE ORGANISATIONAL RISKS (RESULT: 2 - NOT FULLY EFFECTIVE)

6.11.1 ORGANISATIONAL PROGRAMME: RISK MANAGEMENT

Risk management is a critical area for any organisation and should be given the necessary priority and resources to ensure implementation. The mitigation of risks to the organisation requires that controls be put in place. The risk monitoring process provides an indication of the effectiveness of such controls.

Table 6.11.1 (i): Percentage implementation of Quarterly Risk Mitigation Strategies

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO11 - Manage Organisational Risk									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Percentage Implementation of Quarterly Risk Mitigation Strategies									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
85.86 %		Reflected in the table below		Reflected in the table below		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Risk Mitigation Strategies	Percentage Implementation of Quarterly Risk Mitigation Strategies	100% implementation of quarterly risk mitigation strategies by 30 June 2021	85.86%(85 out of 99 for the year) Risk Mitigation Strategies were implemented by 30 June 2021.	OPEX	OPEX	Risk mitigation strategies were not implemented due to the following: Provincial COGTA has not completed the process of the IGR Framework Plan which will guide the sitting of all IGR Structures in the Province and the finalization of the Provincial Calendar.	None. Waiting for the finalization of the process by Provincial COGTA	2 - Not Fully Effective	SDBIP - Risk Management

6.12.1 ORGANISATIONAL PROGRAMME: INSTITUTIONAL DEVELOPMENT

This programme focuses on compliance to the legislative and policy framework within which the Municipality is operating.

Table 6.12.1 (i): Percentage requests from internal Departments attended to and provided with COVID-19 PPEs and supplies

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO12 - Improve Institutional Transformation and Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Percentage Requests from Internal Departments Attended to and Provided with COVID-19 PPEs and Supplies									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None				3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
COVID-19 PPEs and Supplies	Percentage Request from Internal Departments Attended and Provided with COVID-19 PPE's and Supplies	100% requests from Internal Department attended to and provided with COVID 19 PPEs and Supplies by 30 June 2021	100% of departmental requests attended to and provided with COVID-19 PPE's and supplies by 30 June 2021	OPEX R6 443 650	OPEX R6 443 106	None	None	3 - Fully Effective	SDBIP - Budget and Reporting

Table 6.12.1 (ii): Number of Mayoral Outreach Projects held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO12 - Improve Institutional Transformation and Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Mayoral Outreach Projects held									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
54.76 %		A number of reasons as reflected in the table below		A number of applicable mechanisms as reflected in the table below		2 - Not Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Back to School Projects	Number of Mayoral Back to School Outreach Projects Held	3 Mayoral Back to School Outreach Projects held by 30 June 2021	1 out of 3 outreach projects was held. The Grade 12 Prayer Day held on 22 October 2020.	OPEX R59 303	OPEX R55 543	Distribution of school uniforms and Awards for Best Achievers were not conducted due to the fact that schools reopened late due to COVID-19 pandemic	Project implementation to be adjusted going forward. School uniforms will be provided to students at the identified schools and no formal event will be held should events be restricted due to the national state of disaster	1 - Underperformed	SDBIP - Office of the Executive Mayor
People living with Disability Project	Number of Mayoral Disability Outreach Projects Held	1 Mayoral Disability Outreach Project held by 30 June 2021	Wheel chairs and assistive devices were distributed on 10 June 2021. Adult diapers were distributed on 11 June 2021.	OPEX R144 200	OPEX R144 200	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Heritage Project	Number of Mayoral Heritage Outreach Projects Held	1 Mayoral Heritage Outreach Project held by 30 June 2021	No performance	OPEX R0	OPEX R0	Budget reallocated due to the Covid 19 pandemic affecting the project	To improve on the planning process in the future and consider the possible effect of the pandemic on projects	1 - Underperformed	SDBIP - Office of the Executive Mayor

Hotspot Outreach Project	Provision of Shelter to Malavuthela Secondary School at Marite	Malavuthela Secondary School at Marite provided with Shelter by 30 June 2021	Project was completed on 5 May 2021	OPEX R330 065	OPEX R0	None	None	3 - Fully Effective 	SDBIP - Office of the Executive Mayor
Senior Citizens Outreach Project	Number of Mayoral Outreach Projects Held for Ehlanzeni Senior Citizens	1 Mayoral Outreach Project for Ehlanzeni Senior Citizens held by 30 June 2021	No performance	OPEX R137 639	OPEX R137 638	The Golden Games were cancelled by the Department of Social Services due to COVID-19. Food parcels and Goodies were procured and supplied to the senior citizens on 23 December 2020.	To improve on planning process in the future and consider the possible effect of the pandemic on projects	1 - Underperformed 	SDBIP - Office of the Executive Mayor
Women Outreach Projects	Number of Mayoral Outreach Projects Held for Women	2 Mayoral Outreach Projects held for Women by 30 June 2021	2 Women's celebration projects were held: on 8 December 2020, 16 Days of Activism and on 25 December 2020 hampers were distributed for Christmas babies	OPEX R134 964	OPEX R129 255	None	None	3 - Fully Effective 	SDBIP - Office of the Executive Mayor
Food Parcel distribution projects	Number of Marginalised Groups Provided with Food Parcels	3 Marginalised Groups provided with Food Parcel by 30 June 2021	3 Marginalised Groups were provided with Food Parcels by 30 June 2021 as follows: to the Elderly on 23 December 2020, to child headed families on 24 December 2020 and Food parcels were distributed to community members in disaster-stricken areas by the terrestrial rains on 12-13 February 2021	OPEX R900 000	OPEX R186 558	None	None	3 - Fully Effective 	SDBIP - Office of the Executive Mayor

Table 6.12.1 (iii): Number of Speaker's Outreach Projects held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO12 - Improve Institutional Transformation and Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Speaker's Outreach projects held									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
125.00 %		The office of the Speaker was task by the Command Council to target the hotspot areas of Covid 19		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Speaker's Outreach Programme	Number of Speaker's Outreach Projects Held	4 Speaker's Outreach Projects held by 30 June 2021	5 Speakers outreach Projects were held by 30 June 2021 as follows: On 31 August 2020 at Simile in Thabane Chweu LM , 12 October 2020 at Nkomazi LM (Mawewe Traditional Council), 19 March 2021 in the City of Mbombela LM at Zamokuhle Disable Centre in Malekututu, 06 May 2021 in the City of Mbombela LM at Hazyview taxi rank and 11 June 2021 in Bushbuckridge LM at Magigwane High School.	OPEX R164 060	OPEX R131 020	The office of the Speaker was tasked by the Command Council to target the hotspot areas of Covid 19	None	3 - Fully Effective	SDBIP - Office of the Speaker

6.13.1 ORGANISATIONAL PROGRAMME: IMPLEMENTATION OF FINANCIAL MANAGEMENT PRACTICES

This programme aims at ensuring compliance in terms of the legislative and policy requirements relating to financial management. Prudent financial management instils confidence in all stakeholders in the institution, which may leverage more funding for service delivery.

Table 6.13.1 (i): Percentage of Compliance with Budget Legislative Framework (Budget Implementation)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO13 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Percentage of Compliance with Budget Legislative Framework (Budget Implementation)									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Budget Implementation	Percentage of Compliance with Budget Legislative Framework (Budget Implementation)	100% compliance with Legislative Framework by 30 June 2021 (Budget Implementation)	100% compliance with budget legislative framework was achieved by 30 June 2021.	OPEX	OPEX	None	None	 3 - Fully Effective	SDBIP - Budget and Reporting
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
100.00 % None Reason for Deviation Mechanism to address Underperformance Result / Trend  3 - Fully Effective									

Table 6.13.1 (ii): Number of Reports on the Implementation of the Procurement Plan submitted to Treasury

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO13 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Number of Reports on the Implementation of the Procurement Plan Submitted to Treasury									
Percentage performance against Annual Target for FY2020/2021			Reason for Deviation		Mechanism to address Underperformance			Result / Trend	
100.00 %			None		None			3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Procurement Plan (Above R200 000)	Number of Reports on the Implementation of the Procurement Plan Submitted to Treasury	4 Reports on the Implementation of the Procurement Plan Submitted to Treasury by 30 June 2021	4 Reports on Procurement plan implementation were submitted to Provincial Treasury by 30 June 2021	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Supply Chain Management

Table 6.13.1 (iii): Percentage of Compliance with Budget Legislative Framework (Budget Preparations)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO13 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Percentage of Compliance with Budget Legislative Framework (Budget Preparations)									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Budget Preparations	Percentage of Compliance with Budget Legislative Framework (Budget Preparations)	100% compliance with Budget Framework by 30 June 2021 (Budget Preparations)	100% compliance with budget legislative framework, Final budget approved on 27 May 2021 by Council along with budget related policies (Council resolution A39/2021) and submitted to NT within 10 working days	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Budget and Reporting

Table 6.13.1 (iv): Number of reports on the unauthorised, irregular, fruitless and wasteful expenditure submitted to Council, COGTA and AGSA

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO13 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Number of Reports on the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Submitted Council, COGTA and AGSA									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
UIF Report	Number of Reports on the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Submitted Council, COGTA and AGSA	4 Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted Council, COGTA & AGSA by 30 June 2021	4 Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure were submitted to Council, COGTA and Auditor by 30 June 2021	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Supply Chain Management

Table 6.13.1 (v): Percentage compliance with Budget Legislative Framework (Budget Reporting)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO13 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Percentage Compliance with Budget Legislative Framework (Budget Reporting)									
Percentage performance against Annual Target for FY2020/2021		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Budget Reporting	Percentage Compliance with Budget Legislative Framework (Budget Reporting)	100% compliance with Budget Framework by 30 June 2021 (Budget Reporting)	100% compliance with budget et legislative framework by 30 June 2021 as follows: Monthly section 71 reports submitted to NT for July, August, October, November, January, February, April and May. Quarterly report submitted to NT for June, September, December and March	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Budget and Reporting

Table 6.13.1 (vi): Development of the Audit Action Plan for 2019/20 FY

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO13 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Development of the Audit Action Plan for 2019/20 FY									
Percentage performance against Annual Target for FY2020/2021			Reason for Deviation		Mechanism to address Underperformance			Result / Trend	
100.00 %			None		None			3 - Fully Effective	
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
Audit Plan	Development of the Audit Action Plan for 2019/20 FY	Audit Action Plan for 2019/20 FY developed 30 days after issuance of Audit Report by Auditor General	Audit action plan for FY2019-2020 audit prepared after receiving the final audit report on 31 March 2021. Action plan prepared by 14 April 2021.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Budget and Reporting

Table 6.13.1 (vii): Number of SCM reports submitted to the Executive Mayor within 10 working days after the end of each quarter

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO13 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Number of SCM Reports Submitted to the Executive Mayor within 10 working days after the end of each quarter									
Percentage performance against Annual Target for FY2020/2021		100.00 %	None	Reason for Deviation	None	Mechanism to address Underperformance	None	Result / Trend	3 - Fully Effective
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2020/2021	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address Underperformance	Year to date Score	Implementing Department
SCM Reporting	Number of SCM Reports Submitted to the Executive Mayor within 10 working days after the end of each quarter	4 SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2021	4 SCM reports were submitted to Executive Mayor on the implementation of the SCM policy within 10 working days after the end of each quarter by 30 June 2021	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Supply Chain Management

7.-Roll over projects completed in the current financial year

The following projects were rolled over from the 2019/20 FY and completed in the current financial year

Table 6.14.1: Roll over projects completed in the current financial year

Roll Over Projects	Adjusted Budget for the Year	Appointment amount	Expenditure	Comments
CONSTRUCTION OF SETHLARE BULK WATER LINE	121 200	121 200	121 200	The budget committed for the consulting engineer to supervise the implementation of the project in 2020/21 financial year.
REFUBISHMENT OF COROMANDEL WWTW	137 814.20	64 389	64 389	The Budget committed for the consulting engineer to supervise the implementation of the project in 2020/21 financial year.
WATER SUPPLY AUGMENTATION AT STEENBOK & KAHHOVI	3 600 000	1 739 324	1 739 324	The phase 1 of the project is complete and tender for phase 2 of the project advertised on 31 March.
NEW BOREHOLES CITY OF MBOMBELA	802 165	802 165	784 765	The project is complete
REFUBISHMENT OF BOREHOLES NKOMAZI LM	334 771	334 771	334 771	The project is complete
TOTAL	4 995 950	3 061 849	3 044 449	

8. Expenditure on projects which are not included in the Organisational layer of the report

The table reflecting the expenditure on the projects which are not included in the organisational layer, is reflected hereunder.

Table 6.15.1: Expenditure on projects which are not included in the organisational layer of the report

DEPARTMENT /UNITS	DESCRIPTION and PROJECTS	PROJECT BUDGET	TOTAL ACTUAL EXPENDITURE
OFFICE OF THE SPEAKER			
	Council meetings - Speaker	R87 147	R52 984
	EDM Speakers Forum	R8 420	R4 192
	Interface with Traditional Leaders	R159 032	R73 422
	Moral Regeneration	R100 000	R29 720

MPAC					
	MPAC Oversight		R293 190		R99 810
OFFICE OF THE CHIEF WHIP					
	Chief Whip Forum		R11 932		R0
	Troika Meetings		R33 907		R0
CORPORATE SERVICES					
	Annual Performance Awards		R96 000		R16 882
	Employee Assistance Programme (Wellness)		R129 098		R109 222
	IGR Forum meetings		R32 811		R13 937
	Maintenance of Buildings EDM		R1 588 561		R1 444 135
	PRRC Committee		R8 420		R1 134
	Legal Cost		R632 857		R273 588
TECHNICAL SERVICES					
	IGR Technical Forum		R25 897		R25 787
	Access bridge Matseleng Primary school		R500 000		R146 201
LED & TOURISM					
	EPWP Forum		R10 920		R10 724
SOCIAL SERVICES					
	AIDS Strategy Review		R93 442		R42 473
	Ward AIDS Council Training		R73 405		R56 989
	Disability Forum Meetings		R133 295		R120 162
	Women's Council Meetings		R123 611		R27 509
	District AIDS Council Meetings		R64 793		R37 516
	HIV Lekgotla/ Summit		R80 031		R39 487
	District AIDS Council Technical Forum		R27 149		R26 740
	Civil Society Forum		R35 172		R21 972

DISASTER MANAGEMENT & PUBLIC SAFETY			
	Disaster Management Emergency Relief	R1 047 088	R869 801
	Security Services	R1 416 960	R1 416 090
	Disaster Management Advisory Forum	R33 628	R29 435
OFFICE OF THE MUNICIPAL MANAGER			
	Audit Committee	R378 900	R377 900
	In Depth Studies	R7 095	R0
	IDP Managers Forum	R34 101	R0
	IDP Municipal support	R3 298	R0
	IDP Planning Forum	R22 520	R22520
	GIS Support to LMs	R172 999	R172 952
	GIS Awareness Campaigns	R35 806	R1 304
	GIS and Committee meetings	R15 427	R15 426
	Research Seminar	R18 945	R0
	Risk Assessment Workshop	R600	R600

9. Conclusion

The performance of the District Municipality for the FY 2020/2021 can be summarized as follows:

The Municipality has 13 (thirteen) strategic objectives, on 7 (Seven) of which it has performed below the required level:

- SO1- *Improve the IDP standard of EDM & LMs*
- SO2 - *Mainstreaming of marginalised groups*
- SO4 - *Create a conducive environment for district economic development and growth*
- SO5 - *To Support Local Municipalities in Specific Areas of Need*
- SO7: *Manage performance*
- SO11: *Organisational Risk Management*
- SO12 - *Improve Institutional Transformation and Development*

The total number of key performance indicators are 60 (Sixty), of which the Municipality is underperforming on 12 (twelve). This implies that 80% of indicators are on track.

The following recommendations are made, based on challenges identified during the quarterly performance review process:

Table 6.16.1: Challenges and recommendation

CHALLENGE/CONCERN	COMMENT	RECOMMENDATION
Failure in implementing internal processes as per the relevant system, policies and processes, e.g. the Individual Performance Management System (performance appraisals), Organisational Performance Management System (performance appraisals), implementation of risk mitigating measures as per the Risk Register and quarterly reports on Mainstreaming	The Covid 19-pandemic has brought about additional responsibilities for Management, which includes frequent meetings of structures such as the Technical District Command Centre and District Command Council. Availability of the staff complement is also affected by the application of health and safety standards related to the pandemic. Internal processes are affected, implying a situation of failure to implement systems, policies and procedures. However, these internal processes have to be maintained for the Municipality to maintain quality in terms of service delivery.	Internal controls be strengthened to ensure the implementation of internal processes related to systems, policies and processes.
Delays in procurement processes due to non-responsiveness of the bidders affected the performance on a number of technical service projects.	During evaluation it was noted that there is a lack of understanding on the completion of bid documents, which was ascribed to tender briefing sessions being put on hold due to the Covid-19 pandemic protocols. Tenders had to be re-advertised.	The re-introduction of the physical and virtual tender briefing sessions being maintained.
Communities preventing the implementation of projects, e.g. the installation of the borehole in Teka-Takho due to the planned allocation not covering the whole settlement.	The Community stopped installation of the borehole in Teka-Takho due to the planned allocation not covering the whole settlement.	Community consultation during planning prior to the implementation of the project be strengthened by the local municipalities
Projects not being implemented due to the Covid-19 pandemic.	A number of projects did not take place because of the restriction on gatherings.	Planning processes to take into consideration the presence of the pandemic and the risks associated therewith.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

Ehlanzeni District Municipality prides itself in appointing the most suitable, qualified and skilled workers to ensure that efficiency and effectiveness within the Municipality is increased. During the year under review 2020/2021FY the Municipality had a total number of 248 approved positions in the approved organizational structure, 190 funded positions were filled, 16 vacant funded and 42 unfunded positions as at 30 June 2021 which constituted of 8% of vacancies. (This percentage reflects positions that are vacant and funded)

In a quest to absorb temporary employees who have been in the institution for a period of more than 10 years, the Municipality's application for Exemption to the South African Local Government Bargaining Council, submitted in the prior financial year was approved with certain conditions for a period of 1 Financial year. The process of absorption was implemented in August 2020 accordingly administratively after further approval by Council with an Agreement signed between the Local Organised Labour and the Employer on the agreed terms and conditions of absorption.

As end of June 2021, the following Senior Management positions (Section 56 and 57) remained filled as per the period under review which are as follows:

- Municipal Manager
- Chief Financial Officer
- General Manager Corporate Services
- General Manager Municipal Health and Environmental Management
- General Manager: Social Services and Disaster Management;
- General Manager Technical Services and;
- General Manager LED, Tourism and Rural Development.

The table below reflects the status quo and breakdown per department in terms of filled, vacant funded and vacant unfunded positions.

DEPARTMENT	TOTAL NO. OF POSTS (FUNDED AND UNFUNDED)	FILLED	VACANT POSTS	
			FUNDED	UNFUNDED
Office of the Municipal Manager	9	7	2	0
Public Office Bearers	19	12	3	4
Strategic Planning	19	15	0	4
Corporate Services	60	53	3	4
Finance and SCM	33	27	3	3
Social Services and Disaster Management	29	25	2	2

Technical Services	14	9	0	5
Municipal Health and Environmental Management	52	30	2	20
LED, Tourism and Rural Development	13	12	1	0
TOTAL	248	190	16	42

The following vacant permanent funded positions were advertised and filled during the year under review:

DEPARTMENT	FILLED POSITIONS
Office of the Municipal Manager	Chief Risk Officer (PL2) Manager Internal Audit (PL3)
Public Office Bearers	Stakeholder Relations Officer: Office of the Speaker (PL5)
Strategic Planning	Assistant GIS Technician (PL14)
Corporate Services	Snr Manager HR (PL2) Committee Administrator (PL5) Supervisor: General Workers x2 (PL14) General Workers x16 (PL15)
Finance and SCM	Manager Budget and Reporting (PL3) SCM Compliance Officer (PL5)
Social Services and Disaster Management	Disaster Management Officer (PL8) Data Capturers: Disaster management (PL14)
Technical Services	Secretary to the GM: Technical Services (PL8)
Municipal Health and Environmental Management	Manager : Municipal Health Services (PL3) Manager Environmental Management (PL3) Secretary to GM : Municipal Health and Environmental Management Help Desk Officers (PL14)
LED, Tourism and Rural Development	None

Other positions that were filled were internships in the various Departments ie Municipal Health Services and Environmental Management, GIS, IT and Risk Management.

VACANT POSITIONS

A total number of 16 funded vacancies remained unfilled as end of 30 June 2021.

4 deaths were recorded (3 employees and 1 PR Councillor) and no dismissals during the year under review.

When jobs become available, the HR department posts job openings, recruit's candidates, performs preliminary interviews and works with managers and executives to select employees that meet the organization's standards and goals. Vacancies in the Municipality are advertised either internally and externally in the local press and the Municipality website in accordance with Council's Recruitment and Selection policy and National Newspaper in terms of the Regulations on appointment and conditions of employment of Senior Managers. Depending on the scarcity of skills in the labour market, the timeframe for the filling of positions varies depending on what qualification and experience required. The target to fill a vacancy is within a period of 6 months.

The HR unit personnel further induct newly recruited employees into the Municipality . Induction is the process of introducing a new employee to the company culture and processes with the aim of bringing them up to speed as quickly as possible as well as making them feel socially comfortable and aware of their professional responsibilities.

Retention measures are also in place wherein staff with prerequisite skills and knowledge is being retained through counter-offers, however due to other institutions offering more benefits than the institution can afford it is not always possible to retain scarce skills and skilled employees.

Ehlanzeni District Municipality recognizes that staff motivation, productivity and retention are dependent upon people jobs that are well suited to their interest and therefore development of the policy on employee transfer was key in order to manage the transfer of staff from one position to the other. Transfers are generally effected to build up a more satisfactory work team and to achieve productivity and to increase the effectiveness of the organization. During the year under review the Municipality in order to achieve its constitutional mandate and improve productivity within lacking units and concluded from the pool of existing employees. No horizontal transfers were undertaken during the year under review.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE LEVELS

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of the Employment Equity Act, 1998 and the reports that are submitted to the Department of Labour at the end of September each year as required by law. The table below represents the various occupational levels and gender in the Municipality.

**** This is information as end of June 2021**

	GENDER		TOTAL NUMBER (FILLED POSITIONS)
	MALES	FEMALES	
MUNICIPAL MANAGER (SECTION 57)	1	0	1
GENERAL MANAGERS (SECTION 56)	4	2	6
TOP MANAGEMENT	17	10	27
PROFESSIONALS	25	39	64
TECHNICIANS AND ASSOCIATE PROFESSIONALS	10	7	17
CLERICAL SUPPORT WORKERS	15	36	51
SERVICE AND SALES WORKERS	4	2	6
PLANT AND MACHINE OPERATORS AND ASSEMBLERS (DRIVERS)	5	0	5
ELEMENTARY OCCUPATIONS	7	14	21
TOTAL	88	110	198

The municipality from time-to-time reviews some of the Human Resources policies with the aim of keeping abreast of changes in the sector and Local government in general and some to be adjusted due to impact of COVID-19 in terms of operations. These policies are aimed at ensuring Human Resources processes and procedures are done in a fair, consistent and transparent manner. Necessary policies, systems, procedures and mechanisms are put in place to ensure organizational development.

The Code of Conduct Workshops and other reviewed HR related policies were conducted during the year to Councillors before being approved by Council. Further all the reviewed policies were deliberated and consulted with Organised Labour to ensure that inputs are received from all angles for implementation after being approved by Council. The Code of Conduct workshops to ensure officials adhere to the stipulations of the Local Government Municipal Systems Act, 2000 Schedule B, Code of Conduct for Municipal Officials and Municipal procedures and policies conducted during the 4th quarter per the Department SDBIP activities.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE (SKILLS DEVELOPMENT)

Organisational development entails harnessing the human capital of the municipality through skills development, occupational health and safety, sound labour relations and employee wellness issues. Skills development is a compliance matter in terms of the Skills Development Act and the Skills Development Levies Act which requires employers to budget, plan for (through Workplace Skills Plan), train employees in sector related skills and report such training as part of the Annual Training Report submitted to LGSETA annually by 30 April each financial year as well as pay over the Skills Levy to SARS. For the financial year under review, the Municipality submitted the Workplace Skill Plan and Annual Training Report timeously to comply with LGSETA requirements. The Municipality further implemented training programmes through assistance from Local Government Services Seta (LGSETA) mandatory grant, discretionary grant funding and own skills development budget for skills programmes, Learnerships and short courses. Some of the programmes were initiated and funded by COGTA and SALGA respectively to ensure Councillors and employees are capacitated.

In order to ensure that the organization's effectiveness is increased, the Municipality annually conducts personnel needs analysis, and makes the necessary provision in the Municipal Budget. Annually a skills gap analysis is conducted through the submission of Personal Development Plans (PDP's) after appraisals. Employees are continuously sent to attend workshops, seminars, skills programmes etc. to improve their capacity. To ensure effectiveness and efficiency within the organization, the municipality annually develops a Workplace Skills Plan, after conducting a training needs analysis. It is also a legislative requirement that Workplace Skills Plans and Annual Training Reports be submitted to Local Government Services Seta by 30 April each year. The necessary training is then provided depending on the available financial resources.

In line with Minimum Competency Regulations, the Accounting Officer, Chief Financial Officer, Finance Managers and other Senior managers needs to undergo training to achieve minimum competency levels as set out by National Treasury. Senior Managers, Middle management, Finance and Supply Chain officials, Finance interns at Ehlanzeni District Municipality have been put through this training programme for this purpose and to be compliant with the Municipal Finance Management Act 56 of 2003, Competency Regulation 29967 dated 15 June 2007. A total of 38 officials inclusive of Senior Managers and Finance officials have been found competent in the relevant Unit Standards as prescribed by National Treasury to date. The Municipality has also extended the training to the other levels of Management and Supervisors to ensure full competency. The Municipality has also taken note of the National Treasury circular GNO91 dated 3 February 2017 on the procedures on the appointment of candidates in Senior Management positions and attainment of minimum competency levels.

The municipality has also given unemployed graduates work-based learning in the form of Internships, Work based Integrated Learning (WIL programme) and Job Shadowing for high school learning to assist them in gaining relevant experience to bridge the gap between schooling and work life. Other than internships, students from various institutions of higher learning are assisted from time to time on request with experiential training in order for them to obtain their full qualifications.

A budget is also set aside to advertise various Internship programmes and applicants in the following fields /disciplines were given an opportunity to apply:

- Environmental Management,
- Finance
- Information Technology
- Engineering and any other field at the discretion of the Executive Mayor.

The Municipality also affords its employees an opportunity to study by providing bursaries for formal qualifications from undergraduate level up to Post graduate level in the various fields related to Local Government or which are relevant to the core business and support functions of the municipality. This is in an attempt to upskill employees to be able to take on more responsibilities as they may be expected from time to time.

During the Financial Year under review, Bursaries to the value of R451 903.63 were awarded to a total of **19** officials. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential. Further a total 15 external students from the various communities within Ehlanzeni District Municipality jurisdiction were awarded to external students through the Mayoral Bursary Fund to the value of R460 911.00.

TRAINING AS PER PERSONAL DEVELOPMENT PLANS FOR 2020/21FY

	PROGRAMMES	NO OF OFFICIALS
1.	CIGFARO Annual Conference	1
2.	23rd SASLAW Annual Conference	2
3.	Project Management Skills Programme	7
4.	COGTA Skillsgap Tool: Skills Audit	1
5.	Municipal Finance Management Programme Learnership	4
6.	OHS ISO 45001 Implementation Training	3
7.	3rd Annual Local Government Labour Law Seminar	1
8.	Powerpoint Level 1	3
9.	Powerpoint Level 2	4
10.	Excel Level 1	4
11.	Excel 2	4
12.	Excel 3	4
13.	Ms Word 3	3
14.	Payday IRP5 Workshop	4
15.	Payday IRP5 Seminar	4

COUNCILLORS TRAINING AS PER PDP'S FOR 2020/21FY

	PROGRAMMES	NO OF COUNCIL-LORS
1.	Project Management Skills Programme	8
2.	Finance for Non-Financial Managers	7
3.	Typing	1

UNEMPLOYED YOUTH TRAINING FOR 2020/21FY

	PROGRAMMES	NO OF UNEMPLOYED YOUTH
1.	Local Economic Development Learnership	15

OCCUPATIONAL HEALTH AND SAFETY MATTERS

In line with the Occupational Health and Safety Act, 85 of 1993 and the Compensation for Occupational Injury and Diseases Act, 130 of 1993, EDM has an obligation to foster the health and safety of its employees when they are at work. This is achieved through the provision of personal protective equipment, in order to minimize the risk of accident and injuries in the workplace while discharging their duties.

At the beginning of the year 2020, specifically on the 30th of January 2020 WHO (World Health Organization) declared a Public Health Emergency of International Concern, due to the threat from the fast-spreading infections in China from a Pathogen identified as novel coronavirus (SARS-CoV-2). The infections started spreading rapidly all over the world in different Countries, therefore, on the 11th of March 2020 a COVID-19 Pandemic was declared by the WHO. On the 5th of March 2020, the first case of COVID-19 was confirmed in South Africa which then prompted the declaration of State of Disaster on the 16th of March 2020 by the State President. The Municipality has since been under severe pressure to comply and observe COVID-19 mandatory prescribed precautionary measures that have been put in place for all employers and compliance with regulations placed by the Department of Employment and Labour. This has had a huge effect on normal operations, because for the last quarter of the financial year 2020/2021 South Africa was placed in Lock-down Alerts level 5, 4, and 3, which allowed a few employees (essential services and support staff) to be physically present at work. Those who are above the age of 60 and those with comorbidities were allowed to work remotely from home as they were deemed to be at a high risk, because should they get infected, they may not survive the infection due to age and underlying health conditions. To comply with the legislative framework from the Department of Employment and Labour, the OHS unit in consultation with key departments that deal with essential services compiled a detailed OHS plan in order to protect its employees from contracting the COVID-19 virus and to prevent its spread thereof in the institution for implementation to ensure safety measures and COVID -19 protocols are adhered to. The plan developed was updated from time to time depending on the pronouncement by the President on the easing of the restrictions vice versa.

During the year under review there were 4 (four) Injury on Duty incidents that were reported, 2 (two) were minor injuries that did not require medical attention from a medical practitioner or facility. Only 2 (two) needed medical attention, and both employees were taken to the local hospital for medical treatment. The incidents were reported to the Department of Employment and Labour as the injuries were sustained during official work hours and the employees were performing their duties.

As part of the key responsibilities and assignment, the Occupational health and Safety Officer has a duty to inspect, visit construction sites and approve all health and safety files of all construction projects that are implemented by the Municipality in consultation with Technical Services Department. In total during the year under review, 8 (eight) construction safety files were approved for water provision projects funded by the Department of Water and Sanitation together with Ehlanzeni District Municipality, for Nkomazi Local Municipality as the beneficiary. The OHS Officer monitored progress on the various construction sites with regards to OHS and Environmental compliance as set out in the OHS Act and the Construction Regulations. There were no major incidents that were recorded in all the construction sites, it was pleasing to note the level of compliance by the contractors to all mandatory requirements that include the provision of PPE and a safe working environment.

COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

All the expenditure incurred were in line with the approved salary budget. When the staff establishment is approved, provision is made in the budget for all the posts which can be filled and the time frames in respect thereof. No unfunded posts were filled. The Municipality ensures that it recruits employees that are capable of effectively rendering the service towards achieving its strategic goals.

In terms of the policy of Council, no occupied post can be upgraded and therefore no employees had salaries increments due to the positions being upgraded, in other words no automatic promotions are effected. If a position becomes vacant the normal recruitment processes are followed and internal pool is given preference before an external recruitment is done. The Job Evaluation process is ongoing and the employees are paid in terms of the Industrial Council determination. As soon as the job evaluation process has been finalised, the results thereof will be considered for finalisation and the van der Merwe System (Post levels) will be phased out and the TASK Job Evaluation System will be implemented with the Wage Curve Agreement after it has been concluded. During the year under review the Ehlanzeni District Job Evaluation Unit meetings of the Unit were scheduled which dealt with the evaluation of Job Descriptions for the following Municipalities: Ehlanzeni DM, Bushbuckridge Local Municipality, City of Mbombela Local Municipality, Nkomazi Local Municipality and Thaba Chweu Local Municipality. SALGA is assisting from time to time with training of identified HR employees in the JE process.

In terms of the Basic Conditions of Employment Act and South African Local Government Bargaining Main Council Collective Agreement prescribes certain benefits that employers should offer its employees over and above the basic salary. This is done to make sure that the employer shows its responsibility to the welfare of its employees during their employment and upon retirement. The Salary and Wage Collective Agreement which was coming to an end on 30 June 2021 was still under the negotiation process as end of June 2021 by the parties in the Central South African Local Government Bargaining Council. Further the The Main Collective Agreement which deals specifically with the Conditions of Service of employees in the Local Government Sector signed by the Parties in the Bargaining Council for the period 2007-2012 was reviewed in 2015 for a five (5) year period from the 1st of July 2015 until the 30th of June 2020. This agreement was due to expire on the 30th of June 2020, but Organized labour proposed for the extension of the agreement to 30th of June 2022 in order to allow parties to negotiate for another agreement. During the consultation and mandating sessions, municipalities in Mpumalanga Province have mandated SALGA to conclude the agreement for the extension of the Main Collective Agreement to 30th of June 2022, which was ultimately signed on the 22nd of June 2020.

The personnel administration function located in the HR Unit which is responsible for management of such benefits which include provision of compulsory and voluntary services in the form of medical aid membership; pension and provident fund, unemployment insurance fund (UIF), housing subsidy and leave matters. All permanent employees are beneficiaries of these compulsory benefits. Though some benefits accrue on the basis of the collective agreement referred above, some benefits e.g. bursaries, travelling allowances are benefit accorded to employees by virtue of Council's own discretion.

For retired employees' provision is made for post-retirement medical aid assistance which necessitates Council to make appropriate provision in the Municipal budget. An Actuarial valuation each financial year is conducted by an independent firm to ensure correct assumptions and estimates are made on Post-retirement medical assistance in all the South African Bargaining Council (SALGBC) accredited medical aid schemes (Keyhealth, LAHealth, Bonitas, SAMWUMed and Hosmed).

The Municipality as per South African Local Government Bargaining Council (SALGBC) Main Collective Agreement read with the Mpumalanga Region Collective Agreement on Conditions of Services awarded Long service recognition to its employees who are in service for 5, 10, 15, 20 years and longer. A total of 22 qualifying employees were awarded Long Service Recognition Bonuses from 5, 10, 15, 20 and 35 years respectively during the financial year under review.

INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEMS

The need to implement Individual Performance Management Systems emanated from a resolution by Council to approve and implement an Individual Performance Management policy which directs and give guidelines on how to conduct quarterly reviews to all permanent Employees (excluding contractual employees i.e Interns, experiential learning students) of Ehlanzeni District Municipality to ensure growth and development for the individuals as well as the organization. The Municipality is committed to recognize good and exceptional performance of all employees by rewarding exceptional performance. The individual performance reviews of the Municipal Manager and Section 56 Managers are guided by the Performance Management Regulations (2006) which sets out how the performance of municipal managers will be uniformly directed and monitored. The framework also addresses the job description, employment contract, as well as the performance agreement that is entered into between a municipality, its Municipal Manager and the Managers directly accountable to the Municipal Manager. The job description sets out the main accountabilities and inherent job requirements; the employment contract provides the terms of employment including regulating the performance bonuses; whereas the performance agreement provides assurance to the municipal Council of what can and should be expected from the senior managers.

Best practice experience in both the private and public sector has proven that performance Management, when linked to the achievements of the strategy of the institution or organization and rewards/incentives, will improve performance through the motivation of staff.

The Individual Performance Management System (IPMS) was implemented and employees were assessed on their individual performance for the 2019/20 financial year consolidating all the 4 quarters (1 July 2019 – 30 June 2020) as per their respective workplans. Prior to the quarterly reviews Individual Performance Agreements for the 2019/20 financial year were signed by and in between individual employees, direct supervisors and Departmental Managers.

The Performance Recognition and Rewards Committee (PRRC) was established by Council to fulfil its mandate in accordance to the Performance Rewards and Incentive Policy of council, to Moderate Scores between Annual Performance Scores between 70 -100 %, Appraise and moderate the 2019/20 Annual Performance Review Reports independently after the management has presented the reports to the Committee; Review and validate the overall assessment scores and POE across all departments in EDM and recommend officials who qualify and who does not qualify for the incentive bonuses after the correctness and validity of assessments are checked; Test the fairness, quality and consistency in the application of the norms and standards vertically as well as horizontally; and identify discrepancies and deviation in the application of the norms and standards of the IPM policy.

The moderation was based on Validated Annual Individual Reports, Presentations and submissions made by General Managers and direct Supervisors for employees eligible for a performance incentive and in line with Council's relevant policies, regulations and transcripts. Continuous workshops were conducted on the implementation of the electronic system accordingly. No individuals were identified for poor performance during the 2019/20 FY reviews. Due to the Disaster Management Act regulations for Covid-19, Ehlanzeni District Municipality could not conduct its Annual Performance, Recognition Awards Ceremony to recognize the excellence performance and selfless services rendered by individuals, teams, Councillors and departments to ensure that they continue to strive to excel and ensure the best standard of living for our communities within the district.

Due to the COVID -19 pandemic, the Municipality was not able to implement Employee support programmes or activities in groups but nevertheless there was one case that was handled confidentially through the referral process received and brought to the attention of Human Resource Unit that affected the relevant employee wellbeing as well as work performance. The affected employee was then assisted by appointing a professional counsellor

Employee related costs (salaries, allowances, leave payout and benefits of Councillors) are disclosed in the Audited Annual Financial Statements as attached. Remuneration of Councilors and Senior Managers (Section 56) is within the determined Gazetted upper limits and other officials are within SALGBC Collective Bargaining determination.

CHAPTER 5

FINANCIAL PERFORMANCE

This review sets out performance for the year ending 30 June 2021. The financial results once more demonstrated that the municipality is committed in supporting its local municipalities in addressing service delivery backlogs and challenges though it remained under pressure due to the very limited financial resources.

The overall summarized operating results in comparison with the approved budget are shown below. The statement of financial performance reflects a summary of income and expenditure as presented in appendix E (1) of the Annual Financial Statements for the year ending 30 June 2021.

Explanations for the variances are included in note 39 contained in the Audited Annual Financial Statements for the year ended 30 June 2021.

5.1 Financial Performance

Description	Approved budget	Actual	2020/2021 variance %
Rental of Facilities	360 000	403 535	12,09%
Interest Received	10 500 000	6 854 208	-34,72%
Dividends received	140 000	137 544	-1,75%
Grants & Subsidies	289 675 536	289 838 212	0,06%
Other Income	1 208 684	955 506	-20,95%
Total Revenue (Excluding capital transfers)	301 884 220	298 189 005	-1,22%
Employee Costs	151 995 226	150 269 266	-1,14%
Councillors Remuneration	17 861 222	16 368 867	-8,36%
Audit Fees	3 234 500	3 233 793	-0,02%
Depreciation & Amortisation	11 052 698	11 052 042	-0,01%
Finance Costs	17 144 648	17 132 877	-0,07%
Provision for bad debts	6 138 085	6 099 343	-0,63%
Repairs and Maintenance	2 208 993	2 059 871	-6,75%
Contracted Services	1 416 960	1 416 090	-0,06%
Grants & Subsidies paid	-	8 827 028	100,00%
General Expenses	74 111 324	58 225 408	-21,44%
Total Expenditure	285 163 656	274 684 585	-3,67%
Surplus (Deficit)	16 720 564	23 504 420	40,57%

5.2 Financial Position

Description	Approved budget	Actual	2020/2021 variance %
Total Current Assets	82 758 951	156 143 017	88,67%
Total Non-Current Assets	243 434 671	200 164 625	-17,77%
Total Current Liabilities	33 313 850	87 936 999	163,97%
Total Non-Current Liabilities	139 700 593	135 825 754	-2,77%
Equity	153 179 179	132 544 889	-13,47%

5.3 Cash Flows

Description	Approved budget	Actual	2020/2021 variance %
Net cash flow from operating activities	7 091 580	10 244 016	44,45%
Net cash flow from investing activities	-7 088 764	-7 440 072	4,96%
Net cash flow from financing activities	-7 537 257	-8 424 123	11,77%

5.4 Actual Performance vs. Approved Capital Budget

The full details of the financial performance, position and cash flows are contained in the Audited Annual Financial Statements for the year ended 30 June 2021 as contained in Volume II of this Annual Report.

Description	Approved budget	Actual	2020/2021 variance %
Internally generated funds	25 399 451	18 345 566	-27,77%
Conditional grants	2 371 000	2 371 000	0,00%
Total source of capital funds	27 770 451	20 716 566	-25,40%

Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Ehlanzeni District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ehlanzeni District Municipality set out on pages 6 to 77 which comprise the statement of financial position as at 30 June 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the 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 Ehlanzeni District Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (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 auditor-general's responsibilities for the audit of the 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.

Restatement of corresponding figures

7. As disclosed in notes 34 and 39 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Irregular expenditure

8. As disclosed in note 28.2 to the financial statements, the municipality incurred irregular expenditure of R666 528, as a contract was approved by an official without the delegated authority.

Material impairments – Trade and other receivables

9. As disclosed in note 4 to the financial statements, a material impairment of R6 561 893 was incurred due to the expectation that amounts receivable is uncollectable.

Other matters

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, the municipality 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 officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

14. 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.

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

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Objective	Pages in the annual performance report
Strategic objective 5 – to support local municipalities in specific areas of need	38 - 45

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:

- Strategic objective 5 – to support local municipalities in specific areas of need.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on pages 31 to 121 or information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
30. I did not identify any significant deficiencies in internal control.

Auditor - General

Mbombela

15 December 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. 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.

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



AUDIT ACTION PLAN TO ADDRESS AUDITOR-GENERAL FINDINGS FOR 2020/21 FINANCIAL YEAR

1. Introduction

The Auditor General has concluded the audit process for the financial year ended 30 June 2021, and an audit report as well as a management report has been received by the municipality on 15 December 2021.

The audit opinion expressed by the Auditor General on the audit report for the year under review is unqualified opinion without findings.

It is therefore a requirement in accordance with Section 131 of the Municipal Finance Management Act, 56 of 2003 that whenever there are audit findings that where not resolved during the audit process which have been outlined on the audit and management reports, the municipality must address the issues or findings raised by the Auditor-General. Furthermore, the Executive Mayor must ensure compliance with this legal requirement of ensuring the findings or issues raised by the Auditor-General are addressed.

2. Overview of the audit findings

A total of 6 audit findings were raised by the Auditor-General during the audit process and the table below provides the synopsis of the audit findings raised by the Auditor-General;

Functional Area or Component	Number of Findings Raised	Number of Recurring Findings	Number of Findings Resolved During Audit	Number of Findings Unresolved
1. Human Resources Management	0	0	0	0
2. Supply Chain Management	1	1	0	1
3. Performance Management	1	0	1	0
4. Financial Management	2	0	1	1
5. Leadership and Governance	0	0	0	0
6. Technical Services	2	2	1	1
Total	6	3	3	3

The Auditor-General found that most of the audit findings raised were as a result of internal control deficiencies, causing the financial and performance information disclosed on the annual financial statements and annual performance report to be misstated.

The most of the misstatements revealed by the audit process have been corrected, and both the annual financial statements and annual performance report has been adjusted before the finalisation of the audit process.

3. Preparation and Implementation of the audit action plan

It is imperative that the audit action plan be prepared to address the audit findings or issues raised by the Auditor-General. The management should implement the audit action plan by not later than 30 June 2022 as the recurring of some of these audit findings might result in material findings which have a potential of negatively affecting the forthcoming audit outcome.

The focus of the planned activities or actions by the management when preparing this audit action plan is to address the root causes that have caused the internal control deficiencies and the non-compliance with the legislative and regulatory framework.

The governance structures should provide assurance to both management and political leadership on the responsibility and accountability on the implementation of the audit action plan so that the plan is implemented as intended.

The detailed audit action plan is therefore presented on the table below;

NO	PAGE NO ON MR	KEY CATEGORY	AUDIT FINDINGS	ROOT CAUSES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM	PROGRESS
1.	30	Project Administration on	Project Management – Fruitless and wasteful expenditure observed on site	Inadequate internal reviews and quality checks on the submissions of the consultant	(a) Adjustments made on payment certificates. (b) Exercise and improve cost control mechanisms	Implement Project Management Standard Operating Procedures (SOP)	30 June 2022	Senior Project Manager – Technical Services	Progress report on the implementation of the Audit Action Plan considered by the General Managers' Forum on monthly basis.	
2.	34	Project Administration on	Project Administration – Inadequate contract management	Inadequate internal reviews and quality checks on the submissions of the consultant	Exercise and improve cost control mechanisms	Implement Project Management Standard Operating Procedures (SOP))	30 June 2022	General Manager - Technical Services	Progress report on the implementation of the Audit Action Plan considered by the General Managers' Forum on monthly basis.	
3.	41	Performance Management	Quality of APR – Error in documentation in APR	-Delay in submission of POEs; -Incorrect information captured on the QPR System; -Insufficient review of reported information against source documents	Strengthen the controls regarding the review of the report against the source documents	(a) Implementation of a first line of review of the reported information against the source documents by the General Managers of the Departments. (b) Implementation of the POE Listing to give guidance to the project managers.	Quarterly	Senior Manager - OPMS	Progress report on the implementation of the Audit Action Plan considered by the General Managers' Forum on monthly basis.	

NO	PAGE NO ON MR	KEY CATEGORY	AUDIT FINDINGS	ROOT CAUSES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM	PROGRESS
						(c) Implementation of the POE Verification template; and iv) Review of the reported information by the OPM Unit.				
4.	42	Financial Management	Expenditure – VAT adjustments not adequately declared to SARS	Misinterpretation on the application of the VAT Act.	Adjustment of VAT201 to correct the amounts underdeclared to SARS.	Submission of the VAT201 adjustments to SARS not later than 25 February 2022	28 February 2022	Senior Manager - Treasury	Progress report on the Implementation of the Audit Action Plan considered by the General Managers' Forum on monthly basis.	
5.	46	Supply Chain Management	Supply Chain Management – SCM CAATS Findings (employees of organ of state doing business with the municipality)	(a) Bidders making false declaration on the MBD 4 forms. (b) Lack of system to check whether the bidders are not in the employment of the organs of state	Forbid bidders who have made false declaration from doing business with the municipality.	Utilise MBD 4 form and National Treasury CSD as measure to curb abuse of the SCM by persons employed by the organs of state.	31 December 2022	Senior Manager - Supply Chain Management Unit	Progress report on the Implementation of the Audit Action Plan considered by the General Managers' Forum on monthly basis	
6.	48	Financial Management	Quality of Annual Financial Statements –	Inadequate time to perform internal and	External and Internal review of Annual	(a) Compile comprehensive financial year-end plan	31 May 2022	Senior Manager - Budget	Progress report on the implementation of the Audit	

NO	PAGE NO ON MR	KEY CATEGORY	AUDIT FINDINGS	ROOT CAUSES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM	PROGRESS
			Errors on Financial Statements	external quality review on Annual Financial Statements	Financial Statements	(b) Monitor progress on the implementation of the financial year-end plan	31 August 2022	and Reporting Chief Financial Officer	Action Plan considered by the General Managers' Forum on monthly basis.	

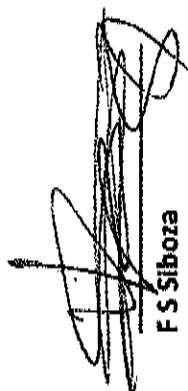
Recommended By:



P O Mokoena
Chief Financial Officer

18/01/2022
Date

Approved By:



F S Sibozo
Municipal Manager

18/01/2022
Date

APPENDICES

Appendix A: Councillors; Committee Allocation and Council Attendance

Appendix B: Committee and Committee purposes

Appendix C: Third Tier Administrative Structure

Appendix D: Functions of the Municipality

Appendix E: Recommendations of the Municipal Audit Committee

APPENDIX A

FINANCIAL YEAR 2020-2021

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	J Sidell	African National Congress	08
2	TM Charles	African National Congress	12
3	KC Chuene	Economic Freedom Fighters	12
4	MR Shongwe	African National Congress	12
5	MJ Hlophe	African National Congress	10
6	LE Khosa	African National Congress	08
7	NC Khoza	African National Congress	11
8	TS Khoza	African National Congress	11
9	JJ Khoza	African National Congress	09
10	RE Khumalo	African National Congress	12
11	J Ligthelm	African National Congress	03
12	NL Lukhele	African National Congress	09
13	PC Luphoko	African National Congress	07
14	TG Mabuza	African National Congress	10
15	M Mahlangu	African National Congress	10
16	V Malatjie	Economic Freedom Fighters	09
17	TR Manyisa	African National Congress	10
18	JB Mashaba	African National Congress	08
19	E Mashele	African National Congress	12
20	S Mashego-Sekgobela	African National Congress	08
21	G Mashile	Bushbuckridge Residents Association	08
22	L Matsie	Bushbuckridge Residents Association	02
23	DI Masilela	African National Congress	12
24	TE Masilela	African National Congress	10
25	P Gubhayi	African National Congress	01
26	G Mathebula	African National Congress	05
27	NV Mathobela	Democratic Alliance	11
28	SP Mathonsi	African National Congress	00
29	MJ Mavuso	African National Congress	11
30	LP Mbambo	African National Congress	10
31	M Mbewe	Economic Freedom Fighters	00
32	PP Mbowane	African National Congress	10
33	LS Mhaule	African National Congress	02
34	PCW Minnaar	Democratic Alliance	10
35	ML Mkhabela	African National Congress	12
36	ET Mkhabela	African National Congress	12
37	LS Mkhathshwa	African National Congress	11
38	JM Mkhathshwa	African National Congress	00
39	GP Mkhombo	Democratic Alliance	12
40	MM Mlimi	African National Congress	00
41	LT Mlombo	African National Congress	05
42	MJ Mnisi	African National Congress	11
43	ML Mnisi	African National Congress	05
44	GN Mogiba	African National Congress	11
45	TM Mthombo	African National Congress	00
46	AS Mthunywa	African National Congress	08
47	GM Nkambule	Economic Freedom Fighters	04
48	DM Khoza	Economic Freedom Fighters	09
49	M Nkuna	African National Congress	09

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
50	CS Nxumalo	African National Congress	00
51	MS Phelephe	African National Congress	07
52	GP Raphiri	African National Congress	03
53	EIT Shabangu	African National Congress	10
54	LC Shakwane	African National Congress	12
55	ED Malele	Bushbuckridge Residents Association	06
56	BC Shongwe	Economic Freedom Fighters	02
57	TB Sibuyi	African National Congress	12
58	NP Thabane	African National Congress	07
59	HP Thobakgale	Democratic Alliance	05
60	GM Moyana	Democratic Alliance	12
61	LT Vuma	African National Congress	10
62	MJ Morema	African National Congress	06
63	M Chembeni-Sahi	African National Congress	12
64	GCB Anthony	Democratic Alliance	12
65	Qhibi R	Economic Freedom Fighters	00
66	MF Nkadimeng	African National Congress	00

ATTENDANCE OF COUNCILLORS 2020/2021 F/Y

[illegible]

ATTENDANCE OF COUNCILLORS 2020/2021 F/Y

[illegible]

ATTENDANCE OF COUNCILLORS 2020/2021 F/Y

Thabane NP	P	A	P	P	A	P	P	P	A	P	A	P
Thobakgale HP	P	P	P	P	P	P	P	P	P	P	P	P
Vuma LT	A	P	P	P	P	P	P	P	P	P	P	P
Moyana GM	P	P	P	P	P	P	P	P	P	P	P	P

04 ORDINARY COUNCIL MEETINGS

08 SPECIAL COUNCIL MEETINGS

P	Present
A	Absent
LOA	Leave Of Absence

APPENDIX B

ATTENDANCE OF COUNCILLORS FOR PORTFOLIO MEETINGS

CORPORATE SERVICES

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	Councillor MJ Mavuso	African National Congress	11
2	Councillor TM Charles	African National Congress	11
3	Councillor G Mathebula	African National Congress	6
4	Councillor TM Mthombo	African National Congress	8
5	Councillor LT Mlombo	African National Congress	4 (Passed away)
6	Councillor H Thobakgale	Democratic Alliance	4 (Resigned)
7	Councillor GCB Anthony	Democratic Alliance	9
8	Councillor V Malatji	Economic Freedom Fighters	3

LED, TOURISM AND RURAL DEVELOPMENT

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	Councillor MJ Morema	African National Congress	3
2	Councillor ET Mkhabela	African National Congress	4
3	Councillor ML Mnisi	African National Congress	2
4	Councillor PC Luphoko	African National Congress	3
5	Councillor TE Masilela	African National Congress	3
6	Councillor H Thobakgale	Democratic Alliance	2 (Resigned)
7	Councillor P Minnaar	Democratic Alliance	4
8	Councillor DM Khoza	Economic Freedom Fighters	1
9	Councillor G Nkambule	Economic Freedom Fighters	2

TECHNICAL SERVICES

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	Councillor M Nkuna	African National Congress	4
2	Councillor JB Mashaba	African National Congress	4
3	Councillor GN Mogiba	African National Congress	4
4	Councillor L Vuma	African National Congress	4
5	Councillor DM Khoza	Economic Freedom Fighters	3
6	Councillor L Shakwane	African National Congress	4
7	Councillor P Gubayi	African National Congress	3
9	Councillor LP Mbambo	African National Congress	2
10	Councillor GP Mkhombo	Democratic Alliance	3
11	Councillor G Mashile	Bushbuckridge Residents Association	3 (Passed away)

FINANCE AND SUPPLY CHAIN MANAGEMENT

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	Councillor MJ Mnisi	African National Congress	8
2	Councillor M Chembeni-Sahi	African National Congress	9
3	Councillor NL Lukhele	African National Congress	9
4	Councillor M Mahlangu	African National Congress	8
5	Councillor G Mashile	Bushbuckridge Residents Association	6 (Passed away)
6	Councillor LP Mbambo	African National Congress	7
7	Councillor AS Mthunywa	African National Congress	9

SOCIAL SERVICES

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	Councillor S Mashigo-Sekgobela	African National Congress	4
2	Councillor DL Masilela	African National Congress	1
3	Councillor MJ Hlophe	African National Congress	2
4	Councillor TG Mabuza	African National Congress	4
5	Councillor GP Raphiri	African National Congress	3
6	Councillor GM Nkambule	Economic Freedom Fighters	2
7	Councillor NV Mathobela	Democratic Alliance	3

DISASTER MANAGEMENT AND PUBLIC SAFETY

	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	Councillor TR Manyisa	African National Congress	4
2	Councillor DL Masilela	African National Congress	3
3	Councillor LE Khosa	African National Congress	3
4	Councillor SL Mkhathshwa	African National Congress	3
5	Councillor PP Mbowane	African National Congress	4
6	Councillor P Minnaar	Democratic Alliance	4
7	Councillor GCB Anthony	Democratic Alliance	3
8	Councillor R Qhibi	Economic Freedom Fighters	3

MUNICIPAL HEALTH AND ENVIRONMENTAL MANAGEMENT

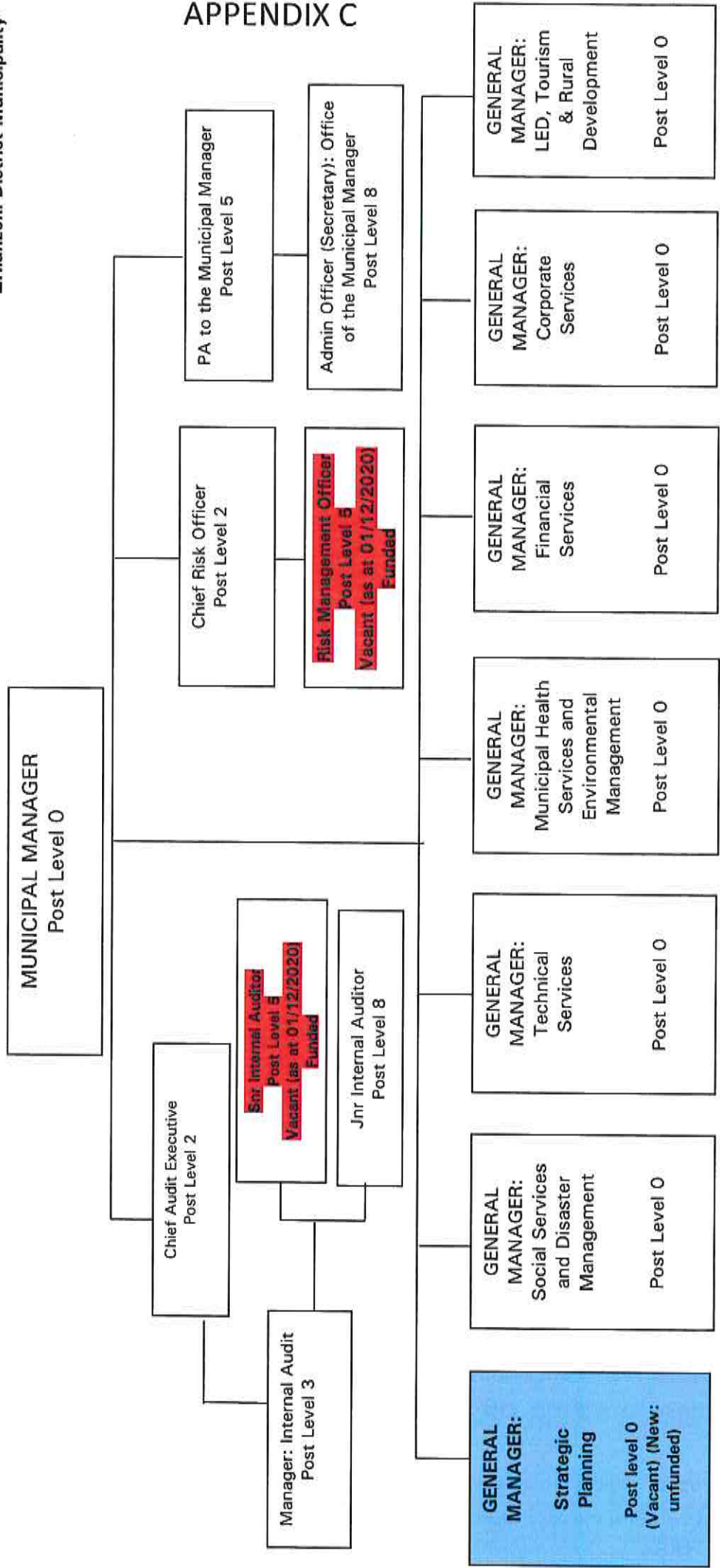
	COUNCILLOR	PARTY	TOTAL MEETINGS ATTENDED
1	Councillor MR Shongwe	African National Congress	3
2	Councillor AS Mthunywa	African National Congress	1
3	Councillor TB Sibuyi	African National Congress	2
4	Councillor M Mahlangu	African National Congress	2
5	Councillor E Mashele	African National Congress	3
6	Councillor V Malatjie	Economic Freedom Fighters	3
7	Councillor GP Mkhombo	Democratic Alliance	3
8	Councillor NV Mathobela	Democratic Alliance	3
9	Councillor MS Phelephe	African National Congress	3

EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE



Ehlanzeni District Municipality

MUNICIPAL MANAGEMENT STRUCTURE (OFFICE OF THE MM)

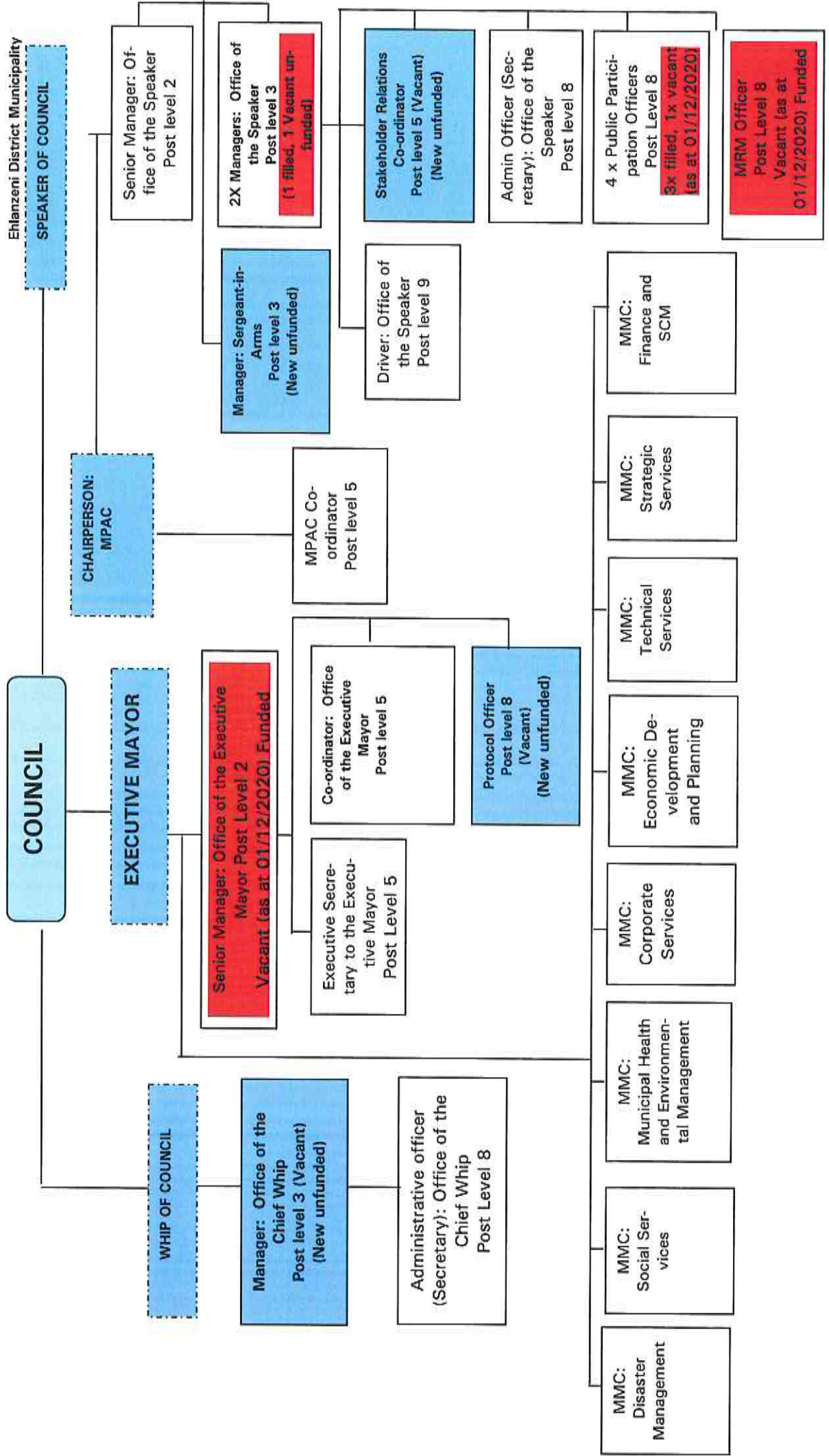


APPENDIX C

EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE



PUBLIC OFFICE BEARERS OFFICE

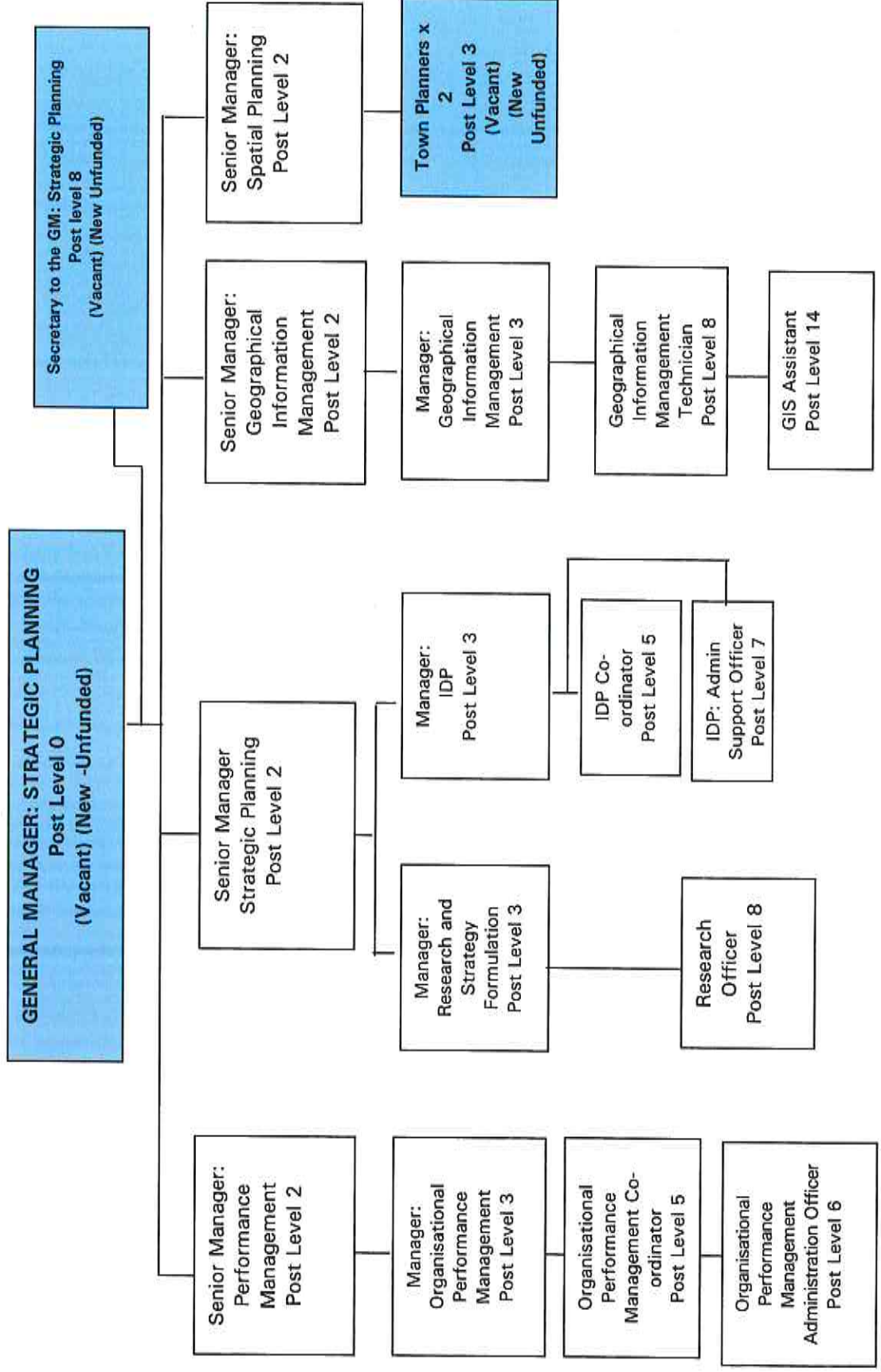


EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE



Ehlanzeni District Municipality

STRATEGIC PLANNING DEPARTMENT

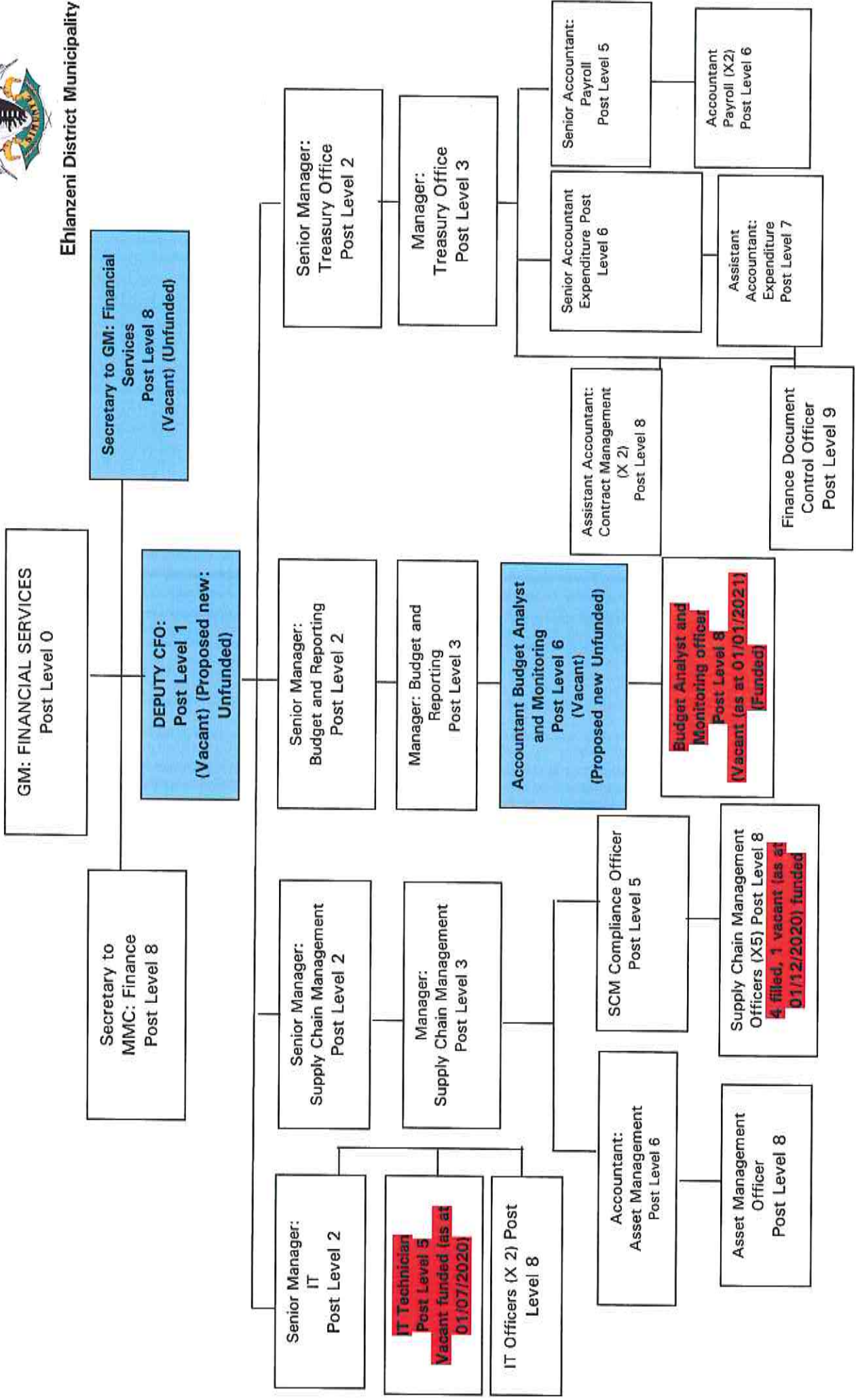


EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE



Ehlanzeni District Municipality

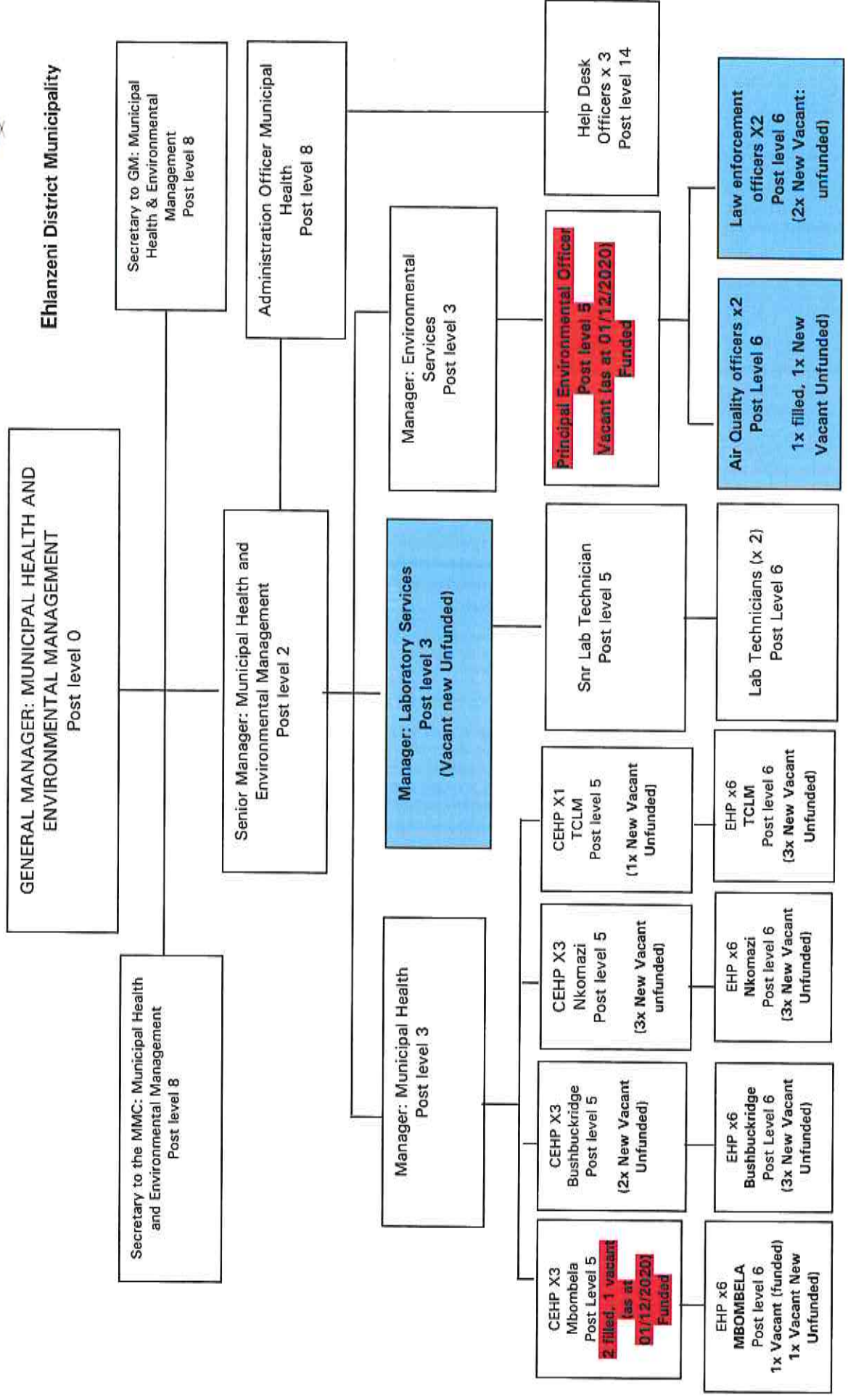
FINANCE AND SCM



EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE



MUNICIPAL HEALTH AND ENVIRONMENTAL MANAGEMENT

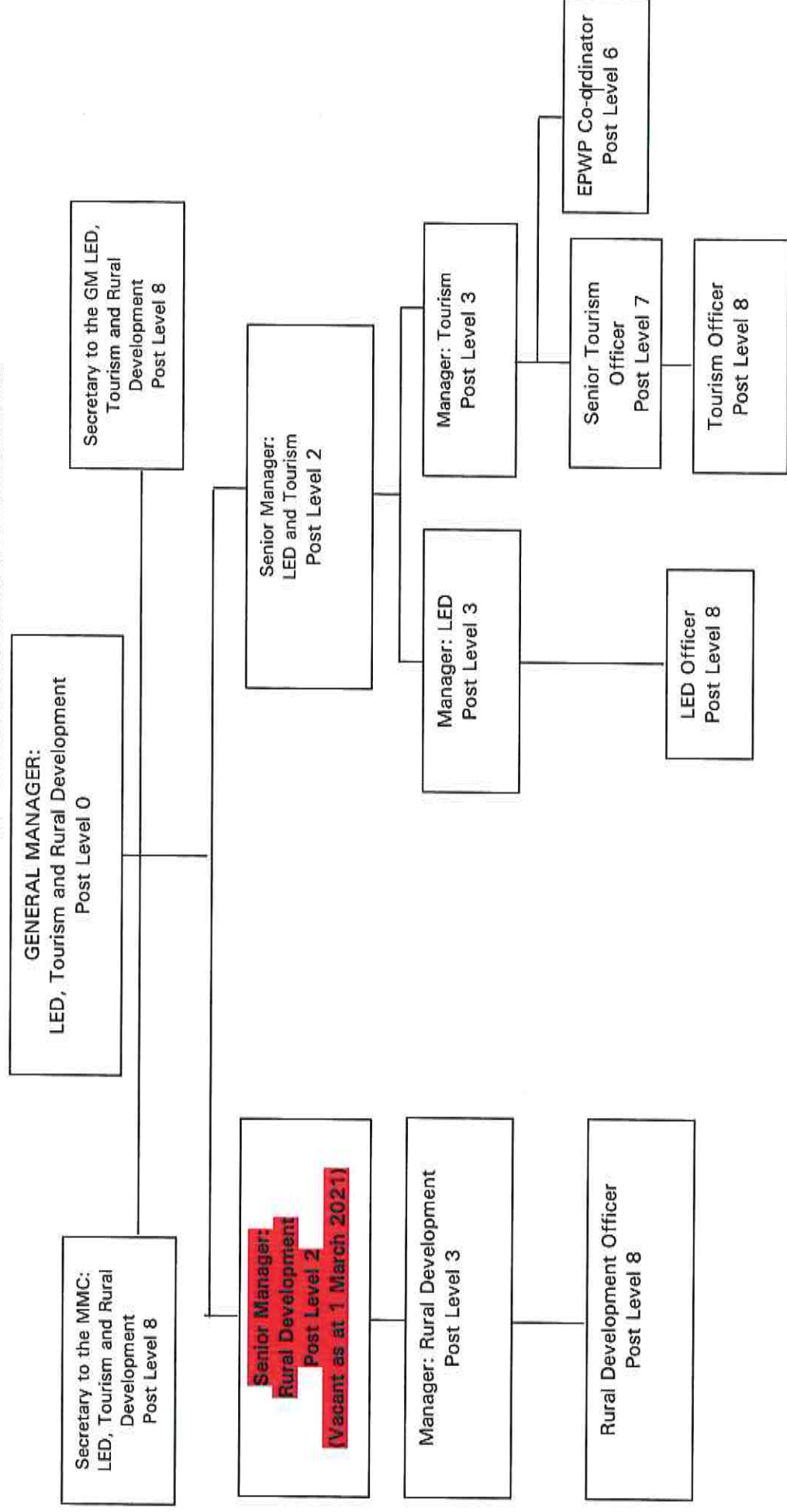


EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE



Ehlanzeni District Municipality

LOCAL ECONOMIC DEVELOPMENT, TOURISM AND RURAL DEVELOPMENT

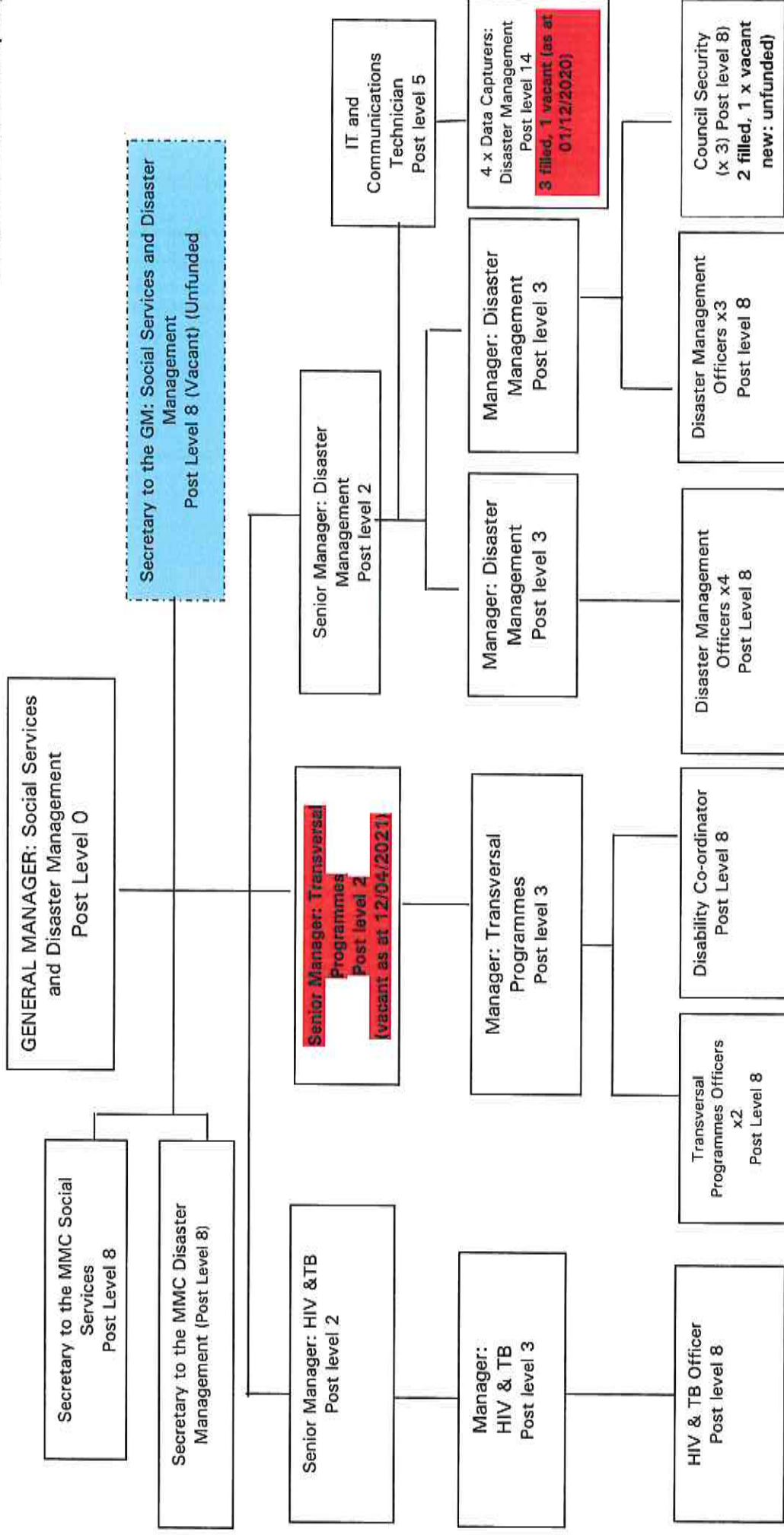


EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE

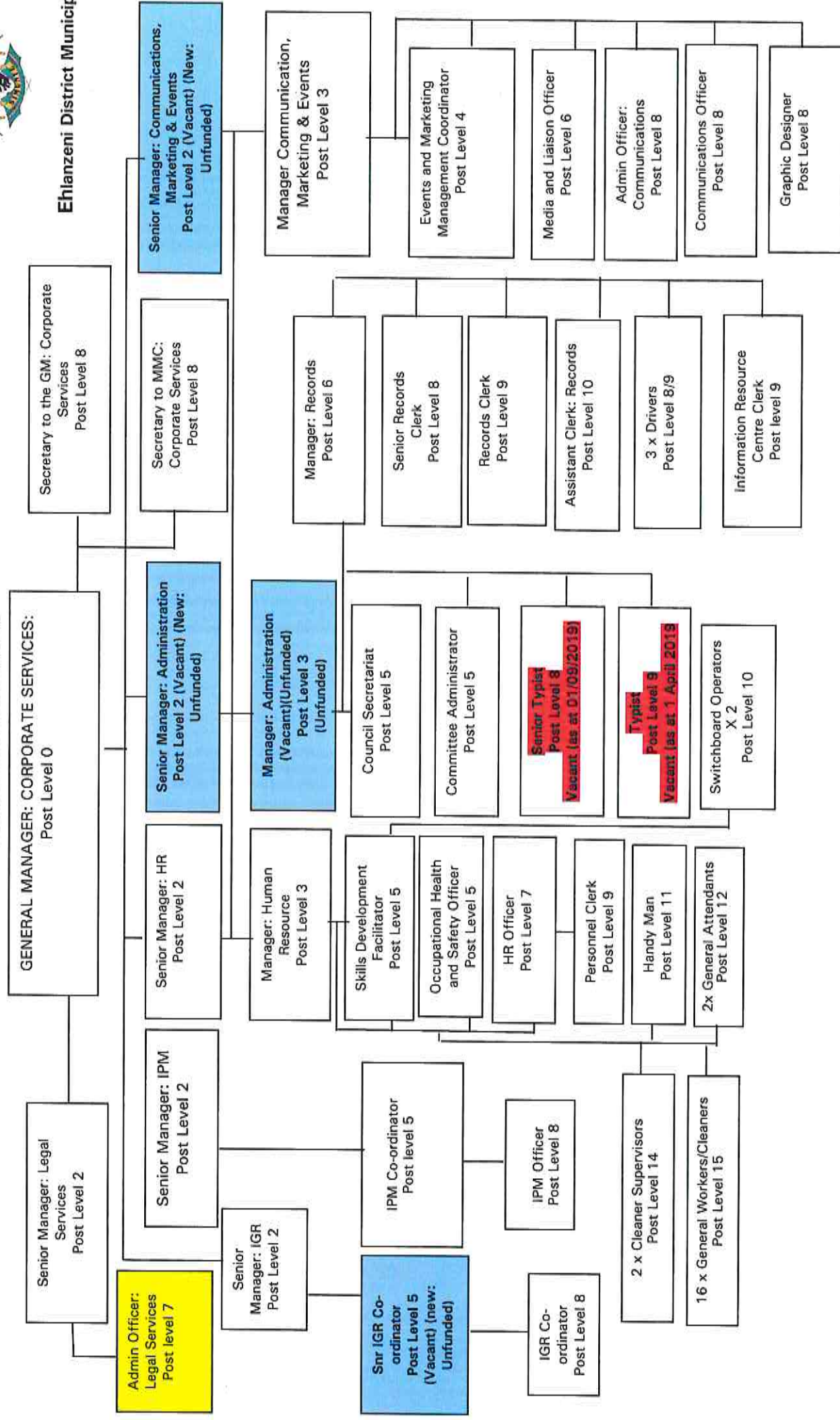


Ehlanzeni District Municipality

DEPARTMENT OF SOCIAL SERVICES AND DISASTER MANAGEMENT



Ehlanzeni District Municipality

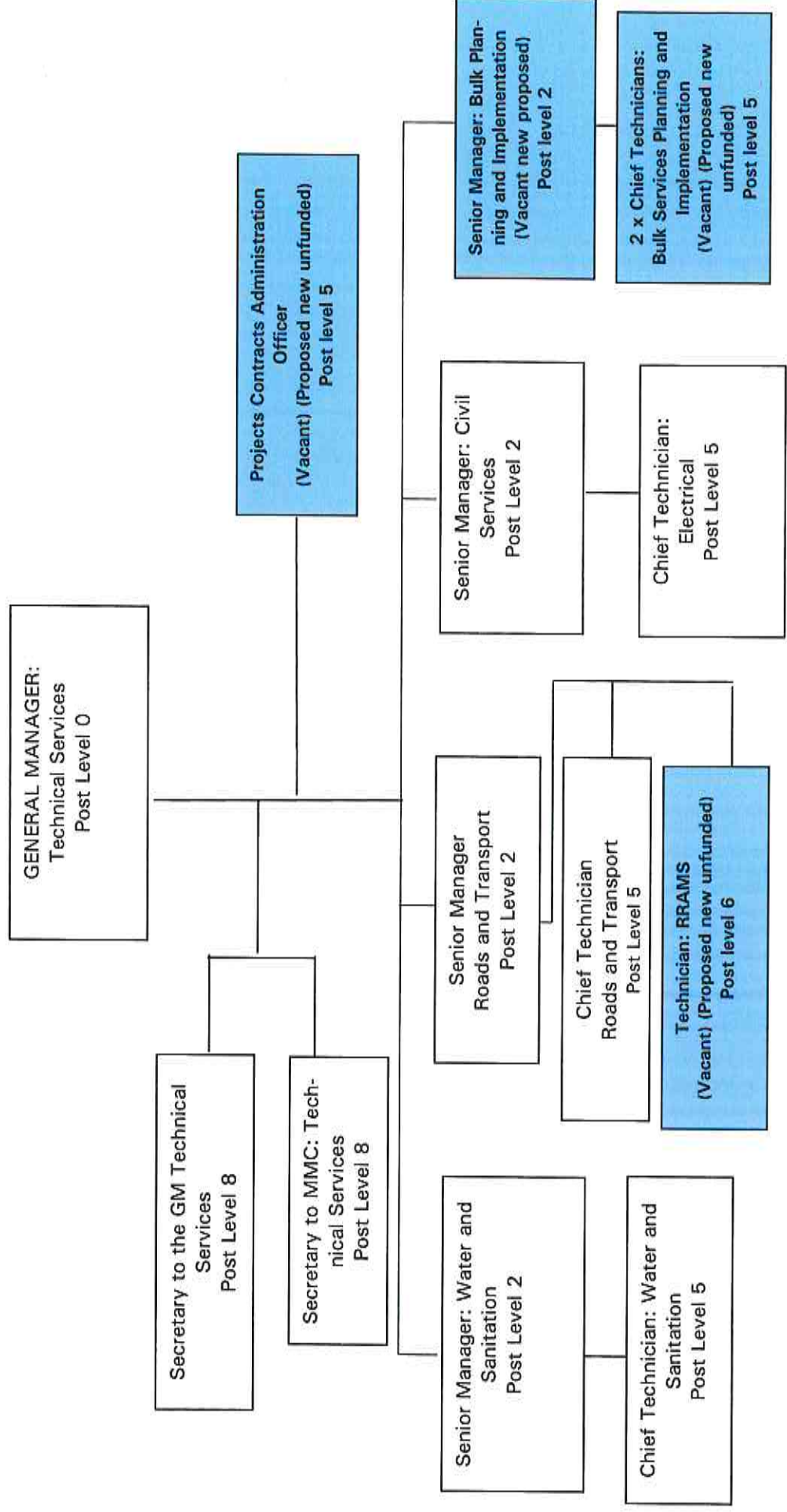


EHLANZENI DISTRICT MUNICIPALITY: ORGANISATIONAL STRUCTURE



Ehlaleni District Municipality

TECHNICAL SERVICES



APPENDIX D

POWERS AND FUNCTIONS OF THE MUNICIPALITY

84. Division of functions and powers between district and local municipalities –

(1) A district municipality has the following functions and powers-

- (a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- (b) Potable water supply systems.
- (c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- (d) Domestic waste-water and sewage disposal systems.
- (e) Solid waste disposal sites, in so far as it relates to-
 - (i) The determination of a waste disposal strategy;
 - (ii) The regulation of waste disposal;
 - (iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- (f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.
- (g) Regulation of passenger transport services.
- (h) Municipal airports serving the area of the district municipality as a whole.
- (i) Municipal health services.
- (j) Fire fighting services serving the area of the district municipality as a whole, which includes-
 - (i) Planning, co-ordination and regulation of fire services;
 - (ii) Specialised fire fighting services such as mountain, veld and chemical fire services;
 - (iii) Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures;
 - (iv) Training of fire officers.
- (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
- (m) Promotion of local tourism for the area of the district municipality.
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
- (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

APPENDIX E

AUDIT COMMITTEE RECOMMENDATIONS FOR THE FINANCIAL YEAR 2020/21

The Audit Committee which serves as an advisory body of Council is comprised of 5 external members have met 4 times during the year under review to execute their oversight role on Internal Control, Risk Management, Financial Management, Performance Management and Governance matters in line with Section 166 of the Municipal Finance Management Act.

Committee Membership and Attendance:

Name of Member	Position	Number of Attended
Mr M Secker	Chairperson	4 meetings
Mrs Z Sibanda	Member	4 Meetings
Ms S Lubisi	Member	4 Meetings
Ms S Mabilane	Member	4 Meetings
Mr K Mokoena	Member	4 Meetings

THE EFFECTIVENESS OF INTERNAL CONTROLS AND THE INTERNAL AUDIT UNIT

THE AUDIT COMMITTEE WAS PRESENTED WITH THE FOLLOWING REPORTS BY THE INTERNAL AUDIT UNIT, WHICH ARE IN LINE WITH THE APPROVED INTERNAL AUDIT PLAN FOR THE FINANCIAL YEAR 2020/2021:

- i. Internal Audit Report on the Annual Performance Report for financial year 2019/20
- ii. Internal Audit Report on the Annual Financial Statement for the year ending 30 June 2020
- iii. Internal Audit Report on Performance Management Mid-Term and 3rd Quarter of 2020/21
- iv. Internal Audit Report on Occupational Health and Safety (Covid-19 Response Plan)
- v. Dashboard on key Controls (4th Quarter 2019/20 and Mid-Term 2020/21)
- vi. Internal Audit Report on the Ad-Hoc Sibange Bulk Water Phase 2
- vii. Internal Audit Report on Supply Chain Management (PPE Procurement 1st Quarter and Mid-Term))
- viii. Internal Audit Report on the Payroll Process

We are pleased to report to Council that we have reviewed the Internal Audit Reports and that these reports provide assurance that the Municipality's internal control systems are effectively managed and controlled, we however urge management to ensure that the minor and significant findings reported by Internal Audit are effectively resolved as agreed by management, to strengthen the overall internal control system of the municipality. The Committee also urges Internal Audit to continue to do follow-up reviews to monitor the implementation progress of the recommendations made should thus report its findings to the Audit Committee.

ANNUAL FINANCIAL STATEMENTS OF EHLANZENI DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2020

Section 166 (2) (b) of the MFMA requires the Audit Committee to respond by reviewing the annual financial statements so as to provide Council of the municipality with an authoritative and credible view into the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act of 2020, and any other applicable legislation.

The Audit Committee has upon reviewing the Annual Financial Statements made the following observations and recommendations which are to be considered before submission of the AFS to the Auditor General for audit purposes:

- The Audit Committee noted that the draft AFS were reviewed by Internal Audit and the review remarks were communicated already to the Finance department to effect necessary changes;

The Audit Committee thanked the CFO and the entire Management team for the effort put into documenting the AFS for the year ending 30 June 2020 and wished the Municipality well for the upcoming audit by Auditor-General South Africa, hoping that the Municipality will attain yet another clean audit opinion.

RISK MANAGEMENT AND LEGAL SERVICES REPORTS

In terms of section 166 (2) (a) (ii) of the Municipal Finance Management Act, the Audit Committee must advise the municipal council and the management staff of the municipality on matters relating to Risk Management, and in terms of the King Code IV of Corporate Governance, 3.8, the Audit committee must be an integral part of the risk management process, on which the committee reports as follows:

- Audit Committee advised management to ensure that the compliance to the Disaster Management Act and its regulations, the GRAP Standards, the Protection of Personal Information Act (POPIA), as well as the relevant Health Standards to form part of the Compliance-Calendar Report;
- Audit Committee advised management to ensure that the report reflects the number of hours and the exact rate/tariff charged by the Legal Representatives of the Municipality;
- Audit Committee advised t on the Matter of Dumata Trading the municipality should not prosecute to avoid unnecessary costs and should await the matter to die a natural death;
- Audit Committee advised the Municipality to adopt the Criteria used to control and manage fees in line with Rule 70 of the High Court in order to manage collusive practices and overcharging by attorneys.

The Audit Committee noted through the presentation of the Chief Risk Officer that there were mitigation strategies that were not implemented during the period under review due to the Covid-19 Pandemic and some others due to insufficient planning and these were reported as follows:

- Training Safety representatives on the use of the evacuation chair or people with disabilities in the case of disaster;
- Development and implementation of the District Tourism Recovery Plan;
- Integrate Demand Management into planning processes; and
- Institute compulsory monthly departmental and Extended Management meetings, to be monitored through the internal process scorecard for Senior Management.

INFORMATION TECHNOLOGY REPORTS

In terms of Section 166 (2) (a) (iv) of the MFMA Act no. 56 of 2003, the Audit Committee must advice the municipal council, the political office-bearers, accounting officer and the management staff of the municipality on matters relating to– “the adequacy, reliability and accuracy of financial reporting and information”.

On the basis of the Information Technology (IT) Report that was deliberated on by the Audit Committee, the committee provides the Municipal Council with reasonable assurance that the municipality’s systems in place in relation to adequacy, reliability and accuracy of financial reporting and information are sufficiently effective.

Further the following was noted by the Committee:

- That the expected result on the revised IT strategy implementation includes contactless and paperless communication to ensure that the Covid-19 protocols are effectively upheld;

- That the Network infrastructure will require a Fibre line to be deployed to support a faster connectivity;
- That the Video Conferencing Solution requires 10 (ten) Zoom licences to be procured so as to enable more virtual meetings to be held at any given time;
- That the Audit Committee advised management to put measures in place to ensure that the Service Level Agreement is adequately adhered to and that the Service Provider does not render the municipality a service below the agreed specifications for the Document Management System; and
- That the cost implications for this project for the next three years is estimated at three and a half million Rands (R3.5m) and it relates to Strategy Development, Implementation and Training on the Document Management System

FINANCIAL MANAGEMENT REPORTS

The committee was presented with the Financial Reports regarding the Implementation of the Supply Chain Management (SCM) Policy Being (1) SCM Bids below R200 000, (2) SCM bids over R200 000, (3) Deviation from SCM Policy, (4) Budget Implementation Performance and (5) Financial State of Affairs for the financial year 2020/21.

AUDIT COMMITTEE RESOLUTIONS ON THE FINANCIAL MANAGEMENT REPORTS WERE AS FOLLOWS:

- i. Audit Committee noted that the report on the implementation of the Budget and the financial state of affairs of the municipality was accordingly submitted to Council in line with Section 52 of the MFMA;
- ii. Audit Committee advised that for written Quotes Below R200 000 the report should reflect the cause of emergency procurement and where the SCM process (quotations) was followed to briefly reflect as such;
- iii. For Awarding of Bids over R200 000, Audit Committee advised management to include the number of items in the description instead of using terminology such as "various", in order to provide clarity on the number of items procured to enable the committee to assess the reasonableness of the prices charged on those items; and
- iv. Deviation from normal SCM for the 3rd Quarter of the 2020/21 financial year and the Audit Committee advised management to reflect "emergency" instead of "impractical" for the reason of deviation for the procurement of fumigation services;

EFFECTIVE GOVERNANCE

The Audit Committee's responsibilities also include the monitoring and fostering of good corporate governance practices in the municipality, this responsibility was effectively discharged by reviewing the Internal Audit Reports; Dashboard Report on key controls; Risk Management Reports and the Financial Management Report as well as the Information Technology Report (as reported above) for the period under review.

Council note that the Audit Committee is pleased to report that the Administrative Governance Structures of the Municipality are fully effective and the Municipality is urged to maintain the current state of affairs.

TECHNICAL SERVICES REPORTS

The Audit Committee noted and appreciated the report on the implementation of the Projects which was presented by the General Manager: Technical Services. Concerns were raised that the planning of projects could be improved upon to give effect to more projects being finalised in the financial year.

AUDIT COMMITTEE RESOLUTIONS ON THE TECHNICAL SERVICES REPORT WERE AS FOLLOWS: -

- Audit Committee noted that the contract on the Phase 2 Sibange Regional Bulk Water Scheme for the Pipeline from WTW to Magudu + Reservoir & Pump Station project was terminated due to poor performance and that the Legal Services division was consulted to assist in recouping losses to the municipality through the Performance Guarantee and the portion of the 10% Retention which shall be withheld;
- Noted that the supply chain process to replace the terminated contractors for the Phase 2 Sibange Regional Water Scheme is currently underway;
- Internal Audit to conduct an adhoc review of the processes that unfolded post the termination of the Contract in the Phase 2 Sibange Regional Bulk Water Scheme for the Pipeline from WTW to Magudu + Reservoir & Pump Station project;
- Noted that of the 15 internally funded projects the majority are reported with a satisfactory progress and that only 6 are reported with a not satisfactory progress remarks due to delays in submission of Bid Specification resulting in the procurement processes commencing later than scheduled in the Procurement Plan;
- advised management to ensure that the Technical Project Implementation Plan Report must be consistent and sufficiently comprehensive.

COMPLIANCE WITH MFMA, DoRA AND ANY OTHER APPLICABLE LEGISLATIVE

The Audit Committee has reviewed the Risk Management Unit and the Internal Audit's reports pertaining to the extent of compliance to various applicable legislation and these include the following: -

- Municipal Finance Management Act 56 of 2003;
- Municipal Systems Act 32 of 2000;
- Basic Conditions of Employment Act 75 of 1997;
- Compensation of Employment Act 130 of 1993;
- Labour Relations Act 66 of 1995;
- Employment Equity Act 55 of 1998;
- Unemployment Insurance Contributions Act 4 of 2002;
- Occupational Health and Safety Act 85 of 1993;
- Preferential Procurement Policy Framework Act 5 of 2000;
- Broad-Based Black Economic Empowerment Act 53 of 2003;
- Promotion of Access to Information Act 2 of 2000

That Council note that the Audit Committee reports that on the basis of the review done to evaluate compliance to the above-mentioned laws, the municipality reported no incident of non-compliance for the period under review.

PERFORMANCE MANAGEMENT AND EVALUATION

The Audit Committee has been appointed to also fulfil the responsibilities of a Performance Audit Committee as set out in the Local Government: Municipal Planning and Performance Management Regulations, 2001.

The Performance Audit Committee must--

- (i) Review the quarterly report submitted to it in terms of sub regulation (1) (c) (ii);
- (ii) Review the municipality's performance management system and make recommendations in this regard to the council of that municipality.

Furthermore, in reviewing the municipality's performance management system in terms of paragraph (a) (ii), the performance audit committee must focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned. The Audit Committee is fully aware of these responsibilities and has accordingly endorsed this function in its Audit Committee Charter.

The Committee is therefore pleased to report that it has effectively discharged this responsibility when it reviewed the Mid-Term Performance Management System t (PMS) as well as the 3rd Quarter PMS Report and resolved as follows:

AUDIT COMMITTEE RESOLUTIONS/RECOMMENDATIONS ON PERFORMANCE MANAGEMENT: -

- i. The Audit Committee noted and accepted the reasons provided for the underperformance reflected on all the reported strategic objectives;
- ii. Audit Committee noted and accepted the reasons provided for the underperformance reflected on all the reported strategic objectives as a result of the pandemic;
- iii. That the Audit Committee applauded the Municipality and the Performance Management Division in particular for ensuring compliance to section 46 of the Local Government: Municipal Systems Act 32 of 2000 (MSA) as well as for the high standard of the 2019/20 Annual Performance Report;
- iv. Audit Committee advised Management to ensure that the information in the IDP and Performance Report complies with section 43 of the Municipal Systems Act and section 10 of the Local Government: Municipal Planning and Performance Regulations of 2001, to include the four indicators which are a compulsory requirement and are applicable to the District Municipality;
- v. Management to ensure that tangible Mechanisms to address underperformance be drafted in such a way that it complies with Section 41 (1) (d) and Section 46 (1) (c) of the Local Government: Municipal Systems Act, 32 of 2000;
- vi. That the principle of the legislation requires the municipality **to take steps** to improve performance with regard to those development priorities and objectives where performance targets are not met; and to **reflect the measures taken** by the municipality to improve performance;
- vii. Management to ensure that sufficient portfolio of evidence is kept for all positive deviations reported and be accompanied with sufficient explanation that led to the attainment of planned targets and or the overperformance;
- viii. Expenditure incurred for the Borehole Project at Mattafin & Cairnside be verified and be confirmed in the next Audit Committee meeting, this is due to the fact that the project status was reflecting no movement as at the end of the third quarter on site due to procurement process delays experienced for this project.

Internal Audit has also performed an audit of the Municipality's Annual Performance Report for 2019/20, the Mid-term Performance Management Report (PMS) as well as the 3rd Quarter PMS of the 2020/21 financial year in line with section 45 (a) of the Municipal Systems Act 32 of 2000.

ACTION PLAN TO ADDRESS ISSUES RAISED BY THE AUDITOR GENERAL

Section 166 (2) (c) of the MFMA requires the Audit Committee to respond to council on any issues raised by the Auditor-General in the audit report.

The Audit Committee has upon reviewing the Audit Action Plan which was developed by Management to respond to the issues raised by the Auditor-General noted the implementation of the proposed remedial action, including the Follow-up by the Internal Audit Unit.

The Chief Audit Executive provided reasonable assurance on the effectiveness of the designed actions to address the issues raised in the AG report and also reported that the Action Plan has been prior to the submission of the Annual Financial Statements (AFS) to the AG. Follow -up on implementation of the improvement actions were verified by Internal Audit at year-end and other improvement areas were followed up during the drafting of the financial statements.

OVERALL CONCLUSION

As can be noted above, good progress is being made in various areas that fall within the responsibility of the Audit Committee which the committee has reported on at various stages. Management has shown support to the committee and has committed to resolving issues raised and recommendations made.

Other than the issues reported above, there is neither material nor significant matters that were observed or brought to the attention of the Audit Committee through the Internal Audit reports or discussions with the Chief Audit Executive, Accounting Officer and/or Senior Management that might affect the municipality negatively or impede its progress in the implementation of the recommendations made.

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Is a requirement that annual report should also include a summary of operating results presented by the Chief Financial Officer, including-

- Operating revenue;
- Operating expenditure;
- Operating results per service;
- Capital expenditure and financing;
- External loans, investments and cash;
- Statement of financial position;
- Statement of financial performance;
- Statement of changes in assets;
- Cash-flow statement;
- Accounting policies; and
- Notes to financial statements



Ehlanzeni District Municipality
Annual Financial Statements
for the year ended 30 June 2021

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

Mayoral committee

Executive Mayor	J Sidell
Speaker	RE Khumalo
Chief Whip	EIT Shabangu
Mayoral committee	MJ Mavuso
	MJ Mnisi
	MR Shongwe
	M Nkuna
	TR Manyisa
	MJ Morema
	S Mashigo-Sekgobela

Councillors

GP Mkhombo
ET Mkhabela
M Chembeni-Sahi
DL Masilela
LC Shakwane
TB Sibuyi
G Mashile (Deceased June 2021)
V Malatjie
KC Chuane
NC Khoza
E Mashele
M Mahlangu
LP Mbambo
ML Mkhabela
NV Mathobela
LE Khosa
GN Mogiba
HP Thovhakhgale (Resigned December 2020)
TE Masilela
JH Ligthelm
MS Phelephe
LS Mhaule
AS Mthunywa
G Mathebula
ET Mashile
GP Raphiri
ML Mnisi
NP Thabane
DM Khoza
BC Shongwe
SL Mkhathshwa
R Chibi
TM Mthombo
LT Vuma
PC Luphoko
P Gubayi
MJ Hlophe
JJ Khoza

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

	PP Mbowane TM Charles LT Mlombo (Deceased January 2021) NL Lukhele JB Mashaba TG Mabuza PCW Minaar MM Mimi GM Nkambule (Resigned November 2020) SP Mathonsi JM Mkhatswha CS Nxumalo MF Nkadineng GM Moyane TS Khoza GCB Anthony L Matsie (Appointed December 2020) M Mashego Mathebula (Appointed December 2020) NW Tivane (Appointed March 2021) NM Mlambo (March 2021)
Grading of local authority	5
Municipal demarcation code	DC32
Accounting Officer	FS Siboza
Chief Financial Officer	PO Mokoena
Registered office	8 Van Niekerk Street Mbombela Mpumalanga 1200
Postal address	P O Box 3333 Mbombela Mpumalanga 1200
Bankers	First National Bank Limited
Auditors	Auditor General South Africa
Attorneys	Mahumani Incorporated Attorneys Thenjiwe Nkosi Attorneys Matsane Attorneys MP Maseko Attorneys

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Index

The reports and statements set out below comprise the annual financial statements presented to the council and provincial legislature:

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Statement of Financial Performance	7
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Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10 - 12
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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

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

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for auditing and reporting on the municipality's annual financial statements.

The annual financial statements set out on pages 6 to 77, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021.

FS Sibozo
Accounting Officer

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Acronyms

CFO	Chief Financial Officer
CPI	Consumer Price Index
COVID-19	Coronavirus
DBSA	Development Bank of Southern Africa
DMC	Disaster Management Centre
EPWP	Expanded Public Works Programme
EDM	Ehlanzeni District Municipality
FNB	First National Bank
GIS	Geographical Information System
GRAP	General Recognised Accounting Practice
IDP	Integrated Development Plan
IGRAP	Interpretation of Generally Recognised Accounting Practice
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IPSASB	International Public Sector Accounting Standards
IT	Information Technology
i.t.o	In terms of
LED	Local Economic Development
MFMA	Municipal Finance Management Act, 56 of 2003
MPAC	Municipal Public Accounts Committee
mSCOA	Municipal Standard Chart of Accounts
PAYE	Pay As You Earn
RBIG	Regional Bulk Infrastructure Grant
RRAMS	Rural Roads Assets Management System
SALGA	South African Local Government Association
SARS	South African Revenue Services
SCM	Supply Chain Management
SDL	Skills Development Levy
UIF	Unemployment Insurance Fund
VAT	Value Added Tax

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated
Revenue			
Revenue from exchange transactions			
Operational income	33	825,956	589,250
Rental of facilities and equipment	33	403,535	291,744
Interest received	31	6,854,208	10,297,507
Dividends received	33	137,544	153,132
Revenue from non-exchange transactions			
Government grants & subsidies	14	289,838,212	260,456,872
Fines & penalties	33	100,000	150,000
Donations in kind	33	29,550	1,738,959
Total revenue		298,189,005	273,677,464
Expenditure			
Employee related cost	15	(150,269,266)	(148,048,875)
Remuneration of councillors	16	(16,368,867)	(16,520,378)
Audit fees	22	(3,233,793)	(2,742,809)
Depreciation and amortisation	17	(11,052,042)	(9,651,674)
Provision for bad debts	4	(6,099,343)	(701,473)
Finance costs	18	(17,132,877)	(17,655,503)
Repairs and maintenance	19	(2,059,871)	(4,165,852)
Contracted services	20	(1,416,090)	(1,140,523)
Grants and subsidies	21	(8,827,028)	(29,691,623)
Operational expenses	23	(58,225,408)	(55,507,372)
Total expenditure		(274,684,585)	(286,826,082)
Operating (deficit)/surplus		23,504,420	(12,148,618)
Loss on disposal of assets		(256,969)	(118,830)
(Loss)/gain on fair value adjustment	7	174,364	(1,026,950)
Actuarial gain	11	1,035,000	8,008,000
(Deficit) /surplus for the year		24,456,815	(5,286,398)

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By
2021-12-14
Auditor General South Africa
Mpumalanga Business Unit

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated
Assets			
Current Assets			
Inventories	5	9,306,318	5,138,915
Investments	7	84,586,702	82,499,272
Receivables from exchange transactions	4	49,907,055	28,109,457
VAT receivable	6	11,600,570	6,346,865
Cash and cash equivalents	3	742,372	6,362,551
		156,143,017	128,457,160
Non-Current Assets			
Property, plant and equipment	8	194,788,633	201,218,151
Intangible assets	9	4,294,188	3,684,570
Investments	7	1,081,804	1,046,703
		200,164,625	205,949,424
Total Assets		356,307,642	334,406,584
Liabilities			
Current Liabilities			
Short-term portion of Long-term liabilities	12	8,755,331	7,857,310
Finance lease obligation	13	182,329	511,204
Payables from exchange transactions	10	66,766,709	63,754,850
Provisions	11	12,232,630	12,260,448
		87,936,999	84,383,812
Non-Current Liabilities			
Long-term liabilities	12	106,727,517	115,483,339
Finance lease obligation	13	-	182,329
Provisions	11	29,098,237	26,263,652
		135,825,754	141,929,320
Total Liabilities		223,762,753	226,313,132
Net Assets		132,544,889	108,093,452
Accumulated surplus		132,544,889	108,093,452

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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2019	113,422,563	113,422,563
Changes in net assets		
Surplus/(Deficit) for the year	(5,286,398)	(5,286,398)
Prior period adjustments - note 39	(42,713)	(42,713)
Total changes	(5,329,111)	(5,329,111)
Balance at 01 July 2020	108,093,453	108,093,453
Changes in net assets		
Prior period adjustments - note 39	(5,379)	(5,379)
Net income (losses) recognised directly in net assets	(5,379)	(5,379)
Surplus/(Deficit) for the year	24,456,815	24,456,815
Total changes	24,451,436	24,451,436
Balance at 30 June 2021	132,544,889	132,544,889

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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated
Cash flows from operating activities			
Receipts			
SARS		3,283,319	6,125,144
Grants		289,838,212	260,456,872
Interest received		6,900,104	10,253,357
Dividends received		-	153,132
Implementing agency receipts		140,076,687	125,150,324
Other receipts		5,220,998	1,340,484
		<u>445,319,320</u>	<u>403,479,313</u>
Payments			
Employee costs		(183,595,128)	(169,579,853)
Suppliers		(94,475,972)	(89,928,414)
Finance costs		(13,507,668)	(14,483,445)
Implementing agency payments		(143,496,536)	(120,324,123)
		<u>(435,075,304)</u>	<u>(394,315,835)</u>
Net cash flows from operating activities	24	<u>10,244,016</u>	<u>9,163,478</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(3,702,469)	(5,744,676)
Proceeds from sale of property, plant and equipment		7,039	296,935
Purchase of intangible assets	9	(1,796,476)	(709,844)
Movement in investments		(1,948,166)	(78,662,246)
Net cash flows from investing activities		<u>(7,440,072)</u>	<u>(84,817,831)</u>
Cash flows from financing activities			
Repayment of long-term liabilities		(7,857,801)	(7,014,038)
Finance lease payments		(566,322)	(566,321)
Net cash flows from financing activities		<u>(8,424,123)</u>	<u>(7,580,359)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(5,620,179)</u>	<u>(83,234,712)</u>
Cash and cash equivalents at the beginning of the year		6,362,551	89,597,263
Cash and cash equivalents at the end of the year	3	<u>742,372</u>	<u>6,362,551</u>

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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Operational income	1,920,000	(711,316)	1,208,684	825,956	(382,728)	Note 38.1
Rental of facilities and equipment	640,000	(280,000)	360,000	403,535	43,535	Note 38.2
Interest received	8,000,000	2,500,000	10,500,000	6,854,208	(3,645,792)	Note 38.3
Dividends received	140,000	-	140,000	137,544	(2,456)	
Total revenue from exchange transactions	10,700,000	1,508,684	12,208,684	8,221,243	(3,987,441)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	271,343,000	18,332,536	289,675,536	289,838,212	162,676	
Transfer revenue						
Fines	-	-	-	100,000	100,000	Note 38.4
Donations in kind	-	-	-	29,550	29,550	Note 38.5
Total revenue from non-exchange transactions	271,343,000	18,332,536	289,675,536	289,967,762	292,226	
Total revenue	282,043,000	19,841,220	301,884,220	298,189,005	(3,695,215)	
Expenditure						
Employee related cost	(156,025,692)	4,030,466	(151,995,226)	(150,269,266)	1,725,960	
Remuneration of councillors	(17,825,222)	(36,000)	(17,861,222)	(18,368,867)	1,492,355	
Audit fees	(3,657,500)	423,000	(3,234,500)	(3,233,793)	707	
Depreciation and amortisation	(8,147,426)	(2,905,272)	(11,052,698)	(11,052,042)	656	
Provision for bad debts	-	(6,138,085)	(6,138,085)	(6,099,343)	38,742	
Finance costs	(15,045,905)	(2,098,743)	(17,144,648)	(17,132,877)	11,771	
Repairs and maintenance	(3,869,850)	1,660,857	(2,208,993)	(2,059,871)	149,122	
Contracted services	(1,516,960)	100,000	(1,416,960)	(1,416,090)	870	
Grants and subsidies	-	-	-	(8,827,028)	(8,827,028)	Note 38.6
Operational expenses	(63,104,774)	(11,006,550)	(74,111,324)	(58,225,408)	15,885,916	Note 38.7
Total expenditure	(269,193,329)	(15,970,327)	(285,163,656)	(274,684,585)	10,479,071	
Operating surplus	12,849,671	3,870,893	16,720,564	23,504,420	6,783,856	Note 38.8
Loss on disposal of assets	-	-	-	(256,969)	(256,969)	Note 38.9
Gain/(loss) on fair value adjustment	-	-	-	174,364	174,364	Note 38.10
Actuarial gain	-	-	-	1,035,000	1,035,000	Note 38.11
	-	-	-	952,395	952,395	
Surplus/(deficit) for the year	12,849,671	3,870,893	16,720,564	24,456,815	7,736,251	

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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	163,348	-	163,348	9,306,318	9,142,970	Note 38.12
Investments	459,175	-	459,175	84,586,702	84,127,527	Note 38.13
Receivables from exchange transactions	345,752	-	345,752	49,907,055	49,561,303	Note 38.14
VAT receivable	4,302,359	-	4,302,359	11,600,570	7,298,211	Note 38.15
Cash and cash equivalents	64,649,285	12,839,032	77,488,317	742,372	(76,745,945)	Note 38.13
	69,919,919	12,839,032	82,758,951	156,143,017	73,384,066	

Non-Current Assets

Property, plant and equipment	211,615,806	10,308,451	221,924,257	194,788,633	(27,135,624)	Note 38.16
Intangible assets	16,981,064	(200,000)	16,781,064	4,294,188	(12,486,876)	Note 38.16
Investments	4,729,350	-	4,729,350	1,081,804	(3,647,546)	Note 38.13
	233,326,220	10,108,451	243,434,671	200,164,625	(43,270,046)	

Total Assets

	303,246,139	22,947,483	326,193,622	356,307,642	30,114,020	
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Liabilities

Current Liabilities

Short-term portion of long-term liabilities	6,581,931	1,187,257	7,769,188	8,755,331	986,143	Note 38.17
Finance lease obligation	-	-	-	182,329	182,329	Note 38.18
Payables from exchange transactions	16,365,979	-	16,365,979	66,766,709	50,400,730	Note 38.19
Provisions	9,178,683	-	9,178,683	12,232,630	3,053,947	Note 38.20
	32,126,593	1,187,257	33,313,850	87,936,999	54,623,149	

Non-Current Liabilities

Long-term liabilities	110,641,019	(2,374,514)	108,266,505	106,727,517	(1,538,988)	
Provisions	31,434,088	-	31,434,088	29,098,237	(2,335,851)	Note 38.20
	142,075,107	(2,374,514)	139,700,593	135,825,754	(3,874,839)	

Total Liabilities

	174,201,700	(1,187,257)	173,014,443	223,762,753	50,748,310	
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Net Assets

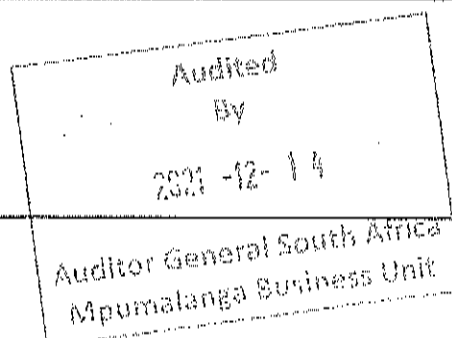
	129,044,439	24,134,740	153,179,179	132,544,889	(20,634,290)	
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	129,044,439	24,134,740	153,179,179	132,544,889	(20,634,290)	Note 38.21
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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Grants	271,343,000	18,294,000	289,637,000	289,838,212	201,212	
Interest income	8,000,000	2,500,000	10,500,000	6,900,104	(3,598,896)	Note 38.3
Dividends received	140,000	-	140,000	-	(140,000)	Note 38.24
Other receipts	2,560,000	(952,780)	1,607,220	8,504,317	6,897,097	Note 38.23
Implementing agency receipts	-	-	-	140,076,687	140,076,687	Note 38.22
	282,043,000	19,841,220	301,884,220	445,319,320	143,435,100	

Payments

Employee related costs	(172,805,915)	(5,645,174)	(178,451,089)	(183,595,128)	(5,144,039)	
Suppliers	(80,586,358)	(21,896,545)	(102,482,903)	(94,475,972)	8,006,931	
Finance costs	(15,045,905)	1,187,257	(13,858,648)	(13,507,668)	350,980	
Implementing agency payments	-	-	-	(143,496,536)	(143,496,536)	Note 38.22
	(268,438,178)	(26,354,462)	(294,792,640)	(435,075,304)	(140,282,664)	

Net cash flows from operating activities	13,604,822	(6,513,242)	7,091,580	10,244,016	3,152,436	
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Cash flows from investing activities

Purchase of property, plant and equipment	(10,331,000)	3,242,236	(7,088,764)	(5,498,945)	1,589,819	Note 38.16
Investments made	-	-	-	(1,948,166)	(1,948,166)	Note 38.13
Proceeds from sale of assets	-	-	-	7,039	7,039	
Net cash flows from investing activities	(10,331,000)	3,242,236	(7,088,764)	(7,440,072)	(351,308)	

Cash flows from financing activities

Repayment of borrowings	(6,581,931)	(955,326)	(7,537,257)	(7,857,801)	(320,544)	
Finance lease payments	-	-	-	(566,322)	(566,322)	Note 38.18
Net cash flows from financing activities	(6,581,931)	(955,326)	(7,537,257)	(8,424,123)	(886,866)	

Net increase/(decrease) in cash and cash equivalents	(3,308,109)	(4,226,332)	(7,534,441)	(5,620,179)	1,914,262	Note 38.13
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Cash and cash equivalents at the beginning of the year	68,416,000	17,067,972	85,483,972	6,362,551	(79,121,421)	Note 38.13
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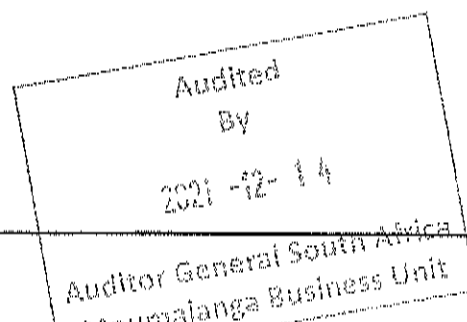
Cash and cash equivalents at the end of the year	65,107,891	12,841,640	77,949,531	742,372	(77,207,159)	
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By
2021-12-14
Auditor General South Africa
Mpumalanga Business Unit

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies



1. Presentation of Annual Financial Statements

The 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 as well as the Municipal Finance Management Act 56 of 2003. The annual financial statements meets the requirements of the Municipal Regulations on a Standard Chart of Accounts (mSCOA).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand. All values have been rounded to the nearest Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.1 Significant judgements and sources of estimation uncertainty

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

Trade receivables /Investments and/or other financial assets

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

The impairment for trade receivables, investments and other financial assets is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

Value in use of cash-generating assets

The municipality reviews and tests the carrying value of cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell.

These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of assets.

Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors such as exchange rates, inflation and interest.

Value in use of non-cash-generating assets

The municipality reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable service amounts of non-cash-generating assets have been determined based on the higher of value in use calculations and fair values less costs to sell.

In determining the value in use of assets, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Useful lives

The municipality's management determines the estimated useful lives and related depreciation / amortisation charges. This estimate is based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

The computation of the amount to be provided for the debtors or receivable impairment will be performed on the basis of the individual or category of customers credit risk profile. A credit risk assessment and profiling will be conducted on the basis of the service and other charges billed during the financial year and prior financial years. The payment history and the previous amounts billed of the customer or debtors during the financial year and also prior financial years since inception of the service agreement shall be taken into consideration in line with the collection rate formula recommended on MFMA Circular 71.

This credit risk assessment determines the ability of the customer to pay for the future amount due as at the reporting date and it is expressed as a percentage of the aggregate amount payment versus the aggregate amount billed by the customer and also into account any bad debts written off.

In case of a debtor being a councillor or employee who is still in the employment of the municipality, no provision for debtors or receivable impairment will be made as the conduct of code in terms of Municipal Systems Act, 32 of 2000 will be applied in collecting the undisputed debt owed by either the councillor or employee in the employment of the municipality. Furthermore, in case of a Councillor or Employee no longer in the employment of the municipality a full provision of the debt owed will be made.

1.2 Property, plant and equipment

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

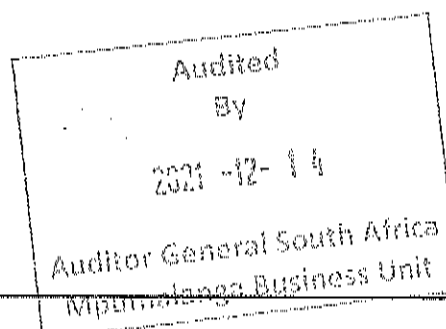
The cost of an item of property, plant and equipment is recognised as an asset when:

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

Initial recognition

Property, plant and equipment is initially measured at cost.

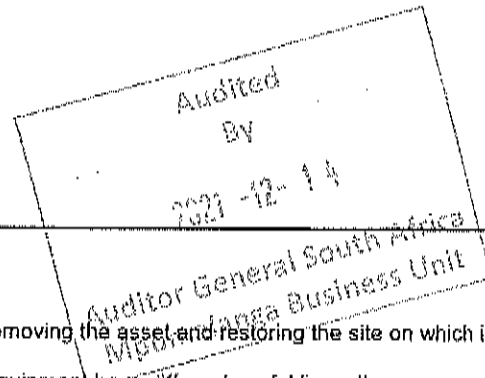
The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies



1.2 Property, plant and equipment (continued)

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 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.

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.

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.

Derecognition

Property, plant and equipment is 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 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.

Depreciation and impairment

The residual value, and the useful life and depreciation method of each asset is reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

The municipality tests property, plant and equipment 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 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.

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

Item	Average useful life
Land	Indefinite

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1.2 Property, plant and equipment (continued)

Buildings	50 years
Plant and equipment	5 - 10 years
Furniture and fixtures	5 - 10 years
Motor vehicles	5 - 20 years
Office equipment	3 - 10 years
Air conditioners	15 - 30 years

1.3 Intangible assets

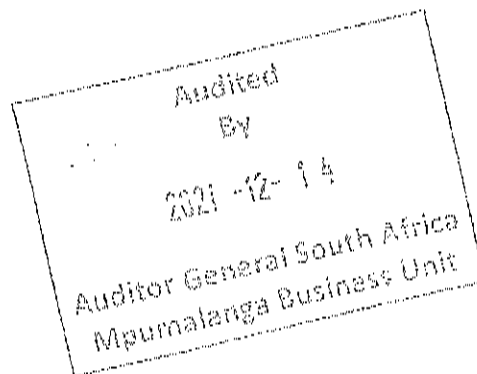
An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised 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.



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1.3 Intangible assets (continued)

Initial recognition

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 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.

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.

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 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. 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.

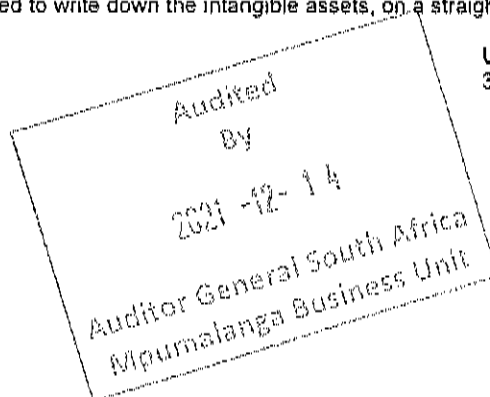
Derecognition

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.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item
Computer software

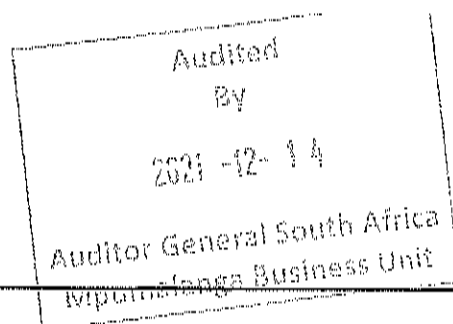
Useful life
3 - 10 years



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1.4 Statutory receivables

Identification

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate. Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the municipality applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

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

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

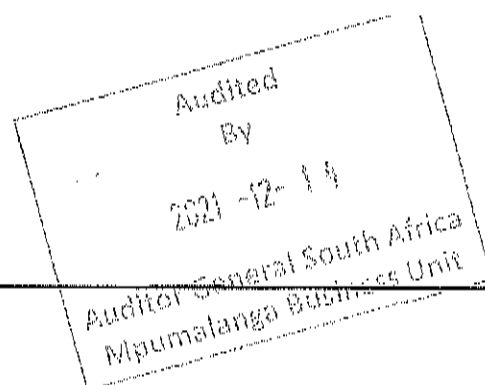
- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent;
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation;
- a breach of the terms of the transaction,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

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

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1.4 Statutory receivables (continued)

recognised in surplus or deficit.

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

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

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

Derecognition

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

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

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

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a 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 under conditions that are potentially unfavourable to the entity.

Initial recognition

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

The municipality recognises financial assets using trade date accounting.

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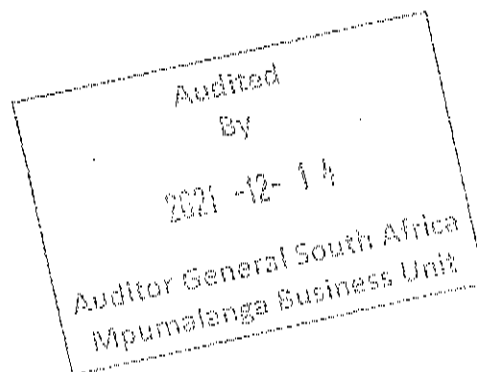
1.5 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

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

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

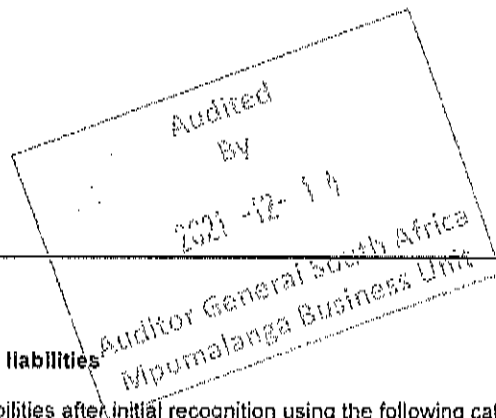
- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.



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1.5 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

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.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

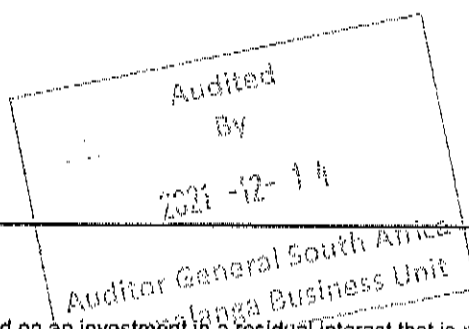
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying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

Financial assets measured at cost:

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1.5 Financial Instruments (continued)

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.6 Leases

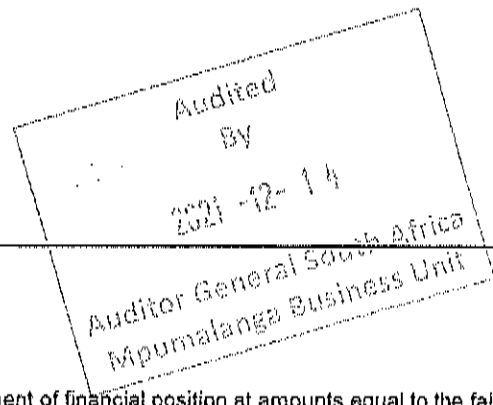
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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

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1.6 Leases (continued)

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

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

Operating leases - lessor

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

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

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

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

Operating leases - lessee

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

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

1.7 Inventories

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

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

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

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

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

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

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

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

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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1.7 Inventories (continued)

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

Work in progress is recognised at cost and not depreciated. It includes all costs incurred in bringing the ultimate assets to their condition and location as intended by management.

Work in progress will be transferred to property, plant and equipment when the assets are available for use.

Work in progress relating to projects on behalf of other entities will be transferred to the specific entity when the assets are available for use.

1.8 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

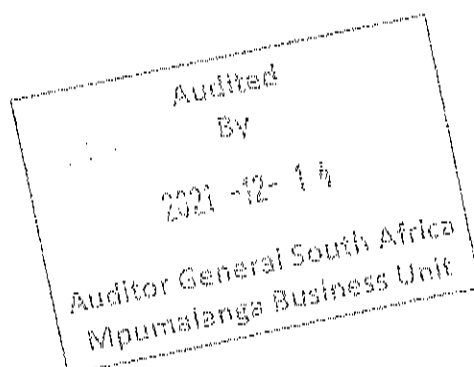
Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Identification

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

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

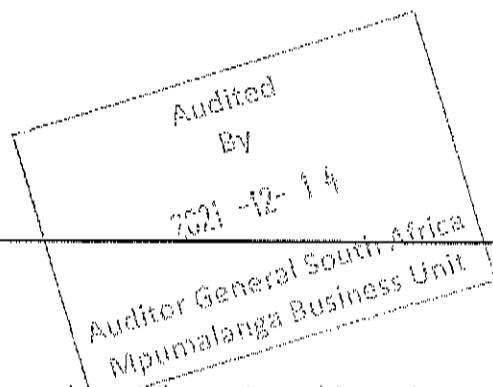
Irrespective of whether there is any indication of impairment, the municipality also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.



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

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of an impairment loss

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

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

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

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

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1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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 entity measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

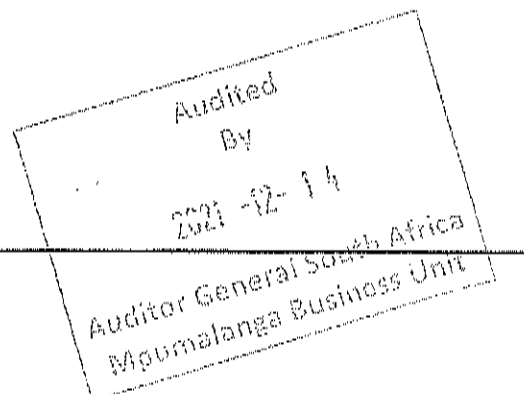
Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one municipality, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned.

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Mpumalanga Business Unit

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies



1.9 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by an municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The municipality account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.9 Employee benefits (continued)

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an municipality shall attribute benefit on a straight-line basis from:

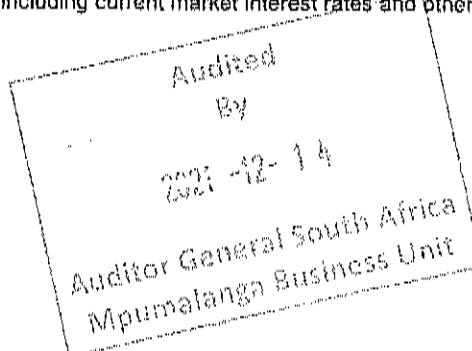
- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

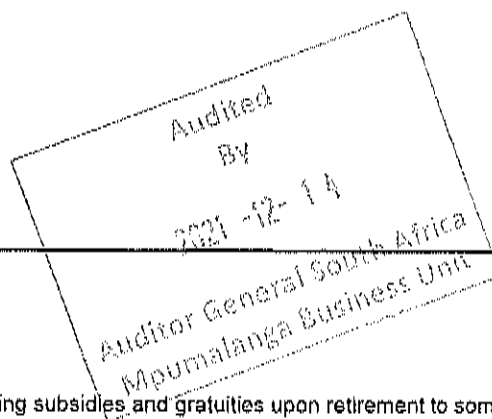
Before determining the effect of a curtailment or settlement, the municipality re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies



1.9 Employee benefits (continued)

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.10 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If a municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.10 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when a municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- 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.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

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.

Contingencies are disclosed in note 27.

1.11 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

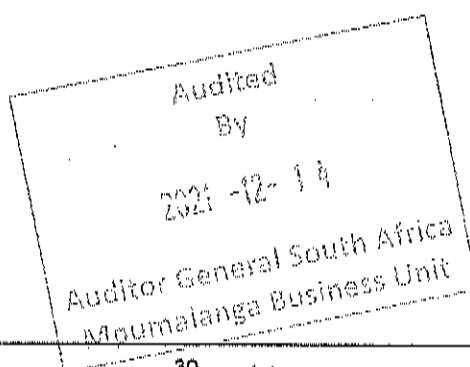
Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, commission and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

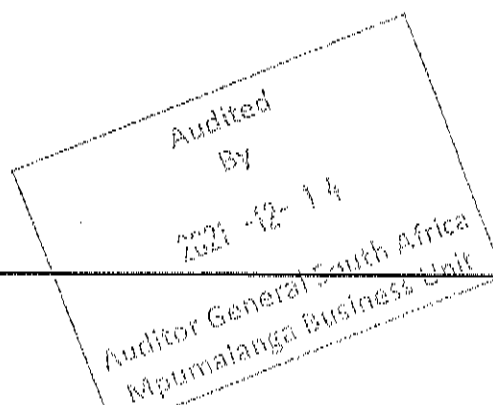
- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

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1.11 Revenue from exchange transactions (continued)

Interest and dividends

Revenue arising from the use by others of municipality's assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.12 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Recognition

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.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Measurement

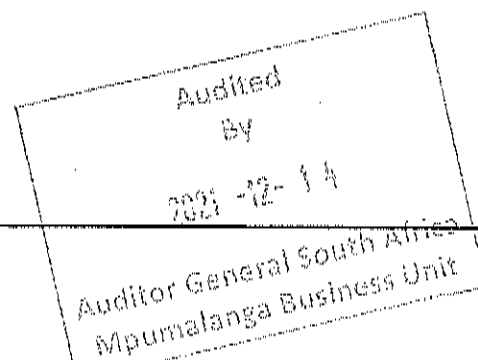
Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies



1.12 Revenue from non-exchange transactions (continued)

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines & penalties

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are recognised as assets and the related revenue recognised when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.13 Accounting for adjustment to revenue

Accounting for adjustment to revenue that correct an error or a prior period error

Where an evidence exists during a reporting period that the municipality did not follow proper due processes in terms of the applicable legislative and regulatory, and/or its policies and by-laws framework on the revenue charged and recognised in the current or prior period, the correction of such an error shall be made once all internal due processes have been complied with, including where applicable Council approval of such a correction of the error.

The error discovered within the reporting period which relates to that period shall be corrected before the financial statements are authorised for issue and the principles in GRAP3 shall be applied to account for the adjustment to revenue already recognised as a result of the correction of a prior period error.

Accounting for the adjustment to revenue as a change in accounting estimate

Where an evidence exists during a reporting period that new information becomes known and it can be proven that the municipality would not reasonably have prior knowledge of this new information when the revenue was charged, the adjustment to revenue is treated as a change in an accounting estimate in line with the principles in GRAP3.

1.14 Borrowing costs

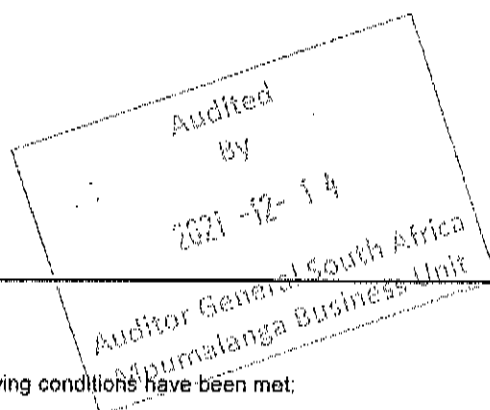
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies



1.14 Borrowing costs (continued)

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets as per accounting policy number 1.8. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 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 adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.16 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Errors discovered within the reporting period which relates to prior periods are corrected before the annual financial statements are authorised for issue. The principles in GRAP 3 are applied to account for the adjustment to revenue already recognised as a result of the correction of a prior period error.

1.17 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.18 Fruitless and wasteful expenditure (continued)

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality'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.

1.20 Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.21 Segment Information

A segment is an activity of the municipality:

- 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.

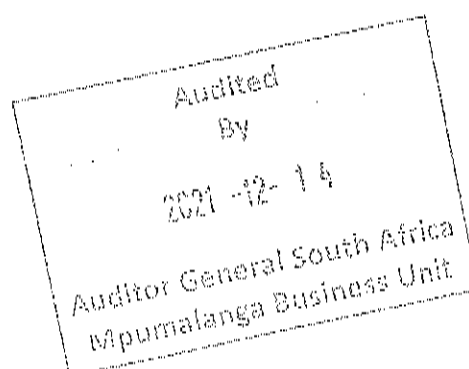
Measurement

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.

1.22 Value Added Tax

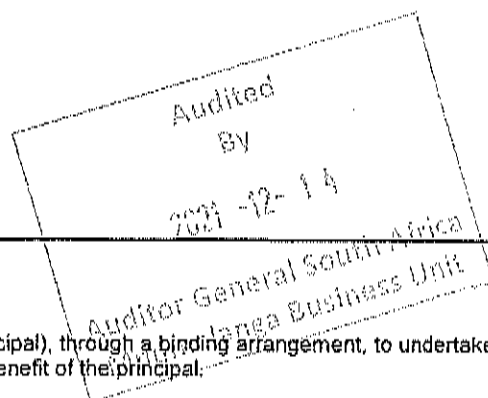
The municipality accounts for VAT on the payment basis.



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies



1.23 Accounting by principals and agents

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether the municipality is the principal or the agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is the agent or the principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as the principal or the agent.

Assessing which entity benefits from the transactions with third parties

The municipality is the agent when, in relation to transactions with third parties, all three of the following criteria are present:

- it does not have the power to determine the significant terms and conditions of the transaction;
- it does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit; and
- it is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

The municipality, as the agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.24 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 1 July 2020 to 30 June 2021.

Management will provide explanations of variances between actual and budgeted amounts of more than 10% based on material significant judgment assertion, refer to note 38.

1.25 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.25 Related parties (continued)

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.

1.26 Going concern assumption

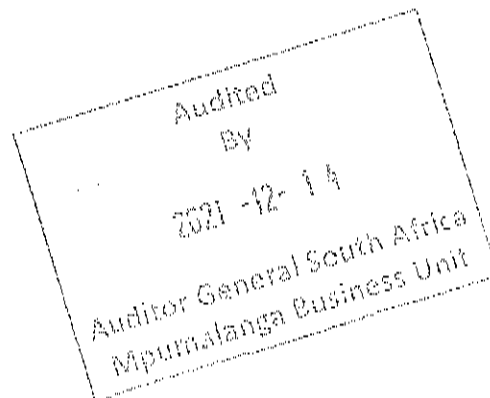
These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.27 Capital commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Capital commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Audited

By

2021-12-14

Auditor General South Africa
Mpumalanga Business Unit

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that:

- (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making;
- (b) using fair value in certain instances was inappropriate; and
- (c) some of the existing accounting requirements were seen as too rules based.

As a result, the IASB amended its existing Standards to deal with these issues. The IASB issued the IFRS Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to the IFRS Standard on Financial Instruments: Presentation (IAS 32) and the IFRS Standard on Financial Instruments: Disclosures (IFRS 7). The IPSASB issued revised IPSASs in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- financial guarantee contracts issued;
- loan commitments issued;
- classification of financial assets;
- amortised cost of financial assets;
- impairment of financial assets; and
- disclosures.

The effective date of the amendment is not yet set by the Minister of Finance.

The municipality expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

The impact of this standard is currently being assessed.

Guideline on Accounting for Landfill Sites

The Constitution of the Republic of South Africa, gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology and References to pronouncements used in the Guideline.

The effective date of the guideline is not yet set by the Minister of Finance.

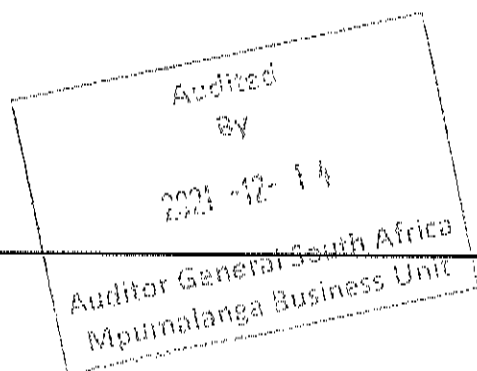
The municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

The impact of this standard is currently being assessed.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements



2. New standards and interpretations (continued)

Guideline on the Application of Materiality to Financial Statements

The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP and References to pronouncements used in the Guideline.

The effective date of the guideline is not yet set by the Minister of Finance.

The municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

The impact of this standard is currently being assessed.

GRAP 25: (Amended) Employee Benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The ASB made amendments to GRAP25 in 2021 to align with IPSAS39 and IFRIC14.

The most significant changes to the Standard affect

- Post-employment benefit disclosures
- Changes to components of defined benefit plans
- Defined benefit disclosures
- Guidance on application of Standard

This Standard supersedes the Standard of GRAP on Employee Benefits issued in 2009.

The effective date of the guideline is not yet set by the Minister of Finance.

The municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

The impact of this standard is currently being assessed.

GRAP 5: (Amended) Borrowing Costs

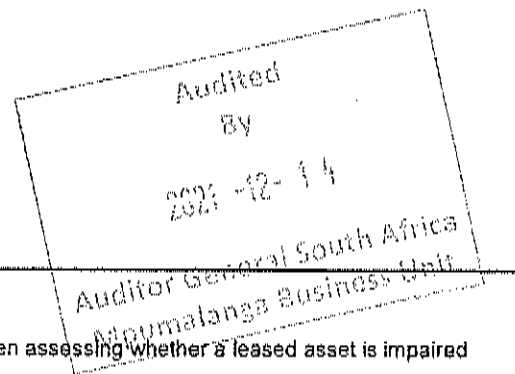
The most significant changes to the Standard are that borrowing costs will be excluded from the weighted average calculation if it relates to borrowings made specifically for the purpose of obtaining a qualifying asset.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 13: (Amended) Leases



Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The most significant changes to the Standard are to include GRAP21 when assessing whether a leased asset is impaired for operating leases and sale and leaseback transactions.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 16: (Amended) Investment Property

The most significant changes to the Standard are as follows:

- Change in use of investment property
- Guidance on initially measuring self-constructed investment property at fair value
- Include GRAP 21 when assessing impairment of investment property

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 17: (Amended) Property, Plant and Equipment

This Standard has deleted the example indicating that quarries and land used for landfill sites may be depreciated in certain cases as land has an unlimited useful life and cannot be consumed through its use.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 20: (Amended) Related Party Disclosures

This Standard has been amended to include the change to IAS 24 Related Party Disclosures to expand the definition of a related party, and the disclosure of related party disclosures, to include management services.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 24: (Amended) Presentation of Budget Information in Financial Statements

General improvements were made to the Standard to clarify the presentation of budget information in the financial statements.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

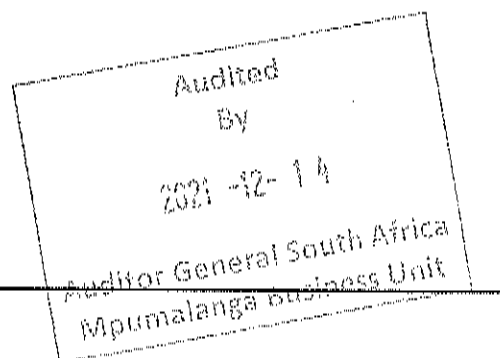
GRAP31: (Amended) Intangible Assets

General improvements were made to the Standard to clarify the review of useful lives of intangible assets.

The effective date of the standard is for years beginning on or after 01 April 2021.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021



Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 32: (Amended) Service Concession Arrangements: Grantor

Improvements were made to the Standard relating to disclosure requirements of the carrying amount of service concession assets.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 37: (Amended) Joint Arrangements

The application guidance to the Standard was improved to include that a party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a function as defined in GRAP 105 or GRAP 106. In such cases, the previously held interests in the joint operation are not remeasured.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

GRAP 106: (Amended) Transfer of Functions Between Entities Not Under Common Control

The Standard was amended to include that when a party to a joint arrangement (as defined in the Standard of GRAP on Joint Arrangements) (GRAP 37)) obtains control of an operation that is a joint operation (as defined in GRAP 37), and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is an acquisition achieved in stages. The acquirer shall therefore apply the requirements for an acquisition achieved in stages, including remeasuring its previously held interest in the joint operation in the manner described in paragraph 70. In doing so, the acquirer shall remeasure its entire previously held interest in the joint operation.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

Directive 7 (amended): The application of deemed cost

The Standard was improved to include the deemed cost of biological assets, except for bearer plants, that form part of an agricultural activity. These assets are initially measured at fair value in accordance with the Standard of GRAP on Agriculture.

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

The expected impact of the standard is currently being assessed.

IGRAP 21: Effect of past decisions on materiality

This interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

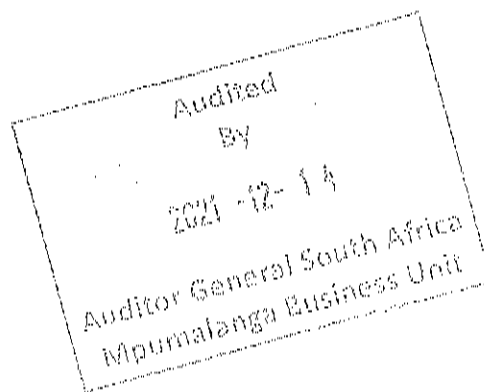
Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The effective date of the standard is for years beginning on or after 01 April 2023.

The municipality expects to adopt the standard for the first time in the 2023/2024 annual financial statements.

The expected impact of the standard is currently being assessed.



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	4,000	4,000
Bank balances	738,372	6,358,551
	742,372	6,362,551

The municipality had the following bank accounts

Account number / description	Cash Book and Bank statement balances		
	30 June 2021	30 June 2020	30 June 2019
FNB Nelspruit Cheque account - 62 113 491 419 (Primary bank account)	563,638	6,242,944	85,534,827
Standard Bank Nelspruit Cheque account - 63395622	-	-	4,055,169
Standard Bank Nelspruit Cheque account - 273226703	-	-	3,267
FNB Nelspruit Cheque account - 62 852 994 592	174,734	115,607	-
Total	738,372	6,358,551	89,593,263

4. Receivables from exchange transactions

Trade and other receivables	4,195,036	6,273,889
Implementing agent receivables (Refer to note 40)	43,955,502	20,369,283
Prepayments	1,744,442	1,461,785
Statutory receivables	12,075	4,500
	49,907,055	28,109,457

Trade and other receivables

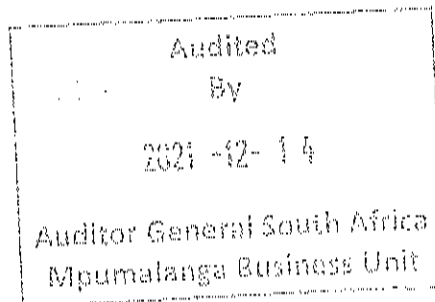
2021	Gross balance	Allowance for debt impairment	Total
Trade and other receivables	10,756,929	(6,561,893)	4,195,036
2020	Gross balance	Allowance for debt impairment	Total
Trade and other receivables	6,736,439	(462,550)	6,273,889

Trade and other receivables: Ageing

Current	4,614	5,821,593
30+ days	104,665	28,103
90+ days	1,057,065	241,915
120+ days	2,705,342	141,331
365+ days	323,350	40,947

Trade and other receivables impaired

Current	(27,355)	-
30+ days	(61,560)	-
60+ days	(499,170)	-
90+ days	-	(58,851)
365+ days	(5,973,808)	(403,699)



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
4. Receivables from exchange transactions (continued)		
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(462,550)	(661,788)
Provision for impairment	(6,099,343)	(701,473)
Amounts written off as uncollectible	-	900,711
	(6,561,893)	(462,550)

Statutory receivables

2021	Gross balance	Allowance for debt impairment	Total
Municipal health certificates	12,075	-	12,075
2020	Gross balance	Allowance for debt impairment	Total
Municipal health certificates	4,500	-	4,500

Statutory receivables: Ageing

Current	12,075	4,500
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The maximum exposure to credit risk at the reporting date is the fair value of each class of debtor mentioned above. The municipality does not hold any collateral as security.

The fair value of trade and other receivables approximates their carrying amounts.

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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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5. Inventories

Work in progress	8,463,385	3,929,146
Consumable stores	167,070	303,950
COVID-19 supplies	675,863	905,819
	9,306,318	5,138,915
Consumables		
Opening balance	303,950	190,269
Additions	783,099	887,605
Issued	(907,018)	(765,465)
Inventory adjustment	(12,961)	(8,459)
Closing balance	167,070	303,950

Consumables comprise of office stationery.

COVID-19 supplies

Opening balance	905,819	-
Additions	1,663,932	2,648,568
Issued	(1,893,888)	(1,742,749)
Closing balance	675,863	905,819

COVID-19 supplies comprises of hand sanitizers and personal protective equipment.

Reconciliation of work in progress 2021

	Opening balance	Additions	Transfers	Closing balance
Work in progress - projects for local municipalities	3,929,146	12,846,621	(8,312,382)	8,463,385

Reconciliation of work in progress 2020

	Opening balance	Additions	Transfers	Closing balance
Work in progress - projects for local municipalities	14,368,199	16,408,375	(26,847,428)	3,929,146

6. VAT receivable

VAT refundable	11,600,570	6,346,965
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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
7. Investments		
Short term investments		
Standard Bank fixed deposit	-	8,591
First National Bank fixed deposit	535,386	392,321
Nedbank fixed deposit	40,066,740	-
ABSA Bank fixed deposit	40,467,461	78,720,509
Sanlam investment	3,517,115	3,377,851
	84,586,702	82,499,272
Long term investments		
Momentum investment	1,081,804	1,046,703
	1,081,804	1,046,703
Reconciliation of Momentum investment		
Opening balance	1,046,703	972,154
Fair value adjustment	35,101	74,549
Closing balance	1,081,804	1,046,703
Reconciliation of Sanlam Shares		
Opening balance	3,377,851	4,479,350
Fair value adjustment	139,264	(1,101,499)
Closing balance	3,517,115	3,377,851

Sanlam listed investments are disclosed at current market value of shares at reporting date (57310) shares at R61,37 per share). The municipality's risk is that the share price of listed investments might devalue significantly during the period under review and result in a substantial loss of the investment. The share price risk is managed by only investing in reputable listed entities with a good track record. The Sanlam listed investment was classified as short term after Council took a decision during the financial year to dispose of the shares.

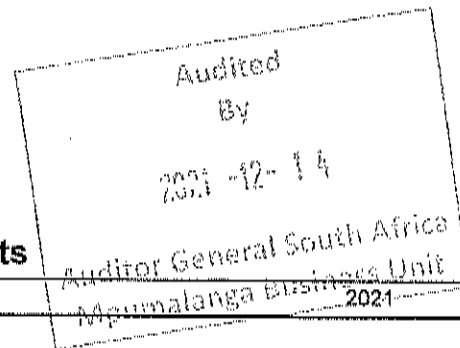
There is a limited general cession on the ABSA fixed deposit account (Account 20-6059-5378) for R120,000.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

**8. Property, plant and equipment**

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8,103,054	-	8,103,054	8,103,054	-	8,103,054
Buildings	234,923,728	(61,001,775)	173,921,953	234,923,728	(55,435,390)	179,488,338
Furniture and fixtures	12,574,314	(10,742,497)	1,831,817	12,356,918	(10,084,892)	2,272,026
Motor vehicles	7,691,312	(5,493,402)	2,197,910	6,822,025	(4,895,404)	1,926,621
Office equipment	33,809,422	(25,366,748)	8,442,674	32,470,529	(23,371,162)	9,099,367
Plant and equipment	780,163	(488,938)	291,225	734,193	(405,448)	328,745
Total	297,881,993	(103,093,360)	194,788,633	295,410,447	(94,192,296)	201,218,151

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	8,103,054	-	-	-	-	8,103,054
Buildings	179,488,338	-	-	-	(5,566,385)	173,921,953
Furniture and fixtures	2,272,026	264,026	(6,147)	85	(698,173)	1,831,817
Motor vehicles	1,926,621	869,288	-	-	(597,999)	2,197,910
Office equipment	9,099,367	2,523,185	(124,828)	(85)	(3,054,965)	8,442,674
Plant and equipment	328,745	45,970	-	-	(83,490)	291,225
	201,218,151	3,702,469	(130,975)	-	(10,001,012)	194,788,633

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	8,103,054	-	-	-	-	8,103,054
Buildings	185,030,189	22,999	-	-	(5,564,850)	179,488,338
Furniture and fixtures	2,160,559	363,335	(2,048)	382,659	(632,479)	2,272,026
Motor vehicles	2,692,356	-	(201,146)	-	(564,589)	1,926,621
Office equipment	5,820,854	5,337,542	(151,962)	15,177	(1,922,244)	9,099,367
Plant and equipment	787,329	20,800	(1,826)	(397,836)	(79,722)	328,745
	204,594,341	5,744,676	(356,982)	-	(8,763,884)	201,218,151

Pledged as security

Carrying value of assets pledged as security for the DBSA loan (Refer to note 12):

Land and buildings	179,845,783	185,357,483
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Assets subject to finance lease (Net carrying amount)

Office equipment	161,193	644,730
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Refer to Appendix B for more detail on property, plant and equipment.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

2021

2020

9. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	16,803,773	(12,509,585)	4,294,188	15,664,396	(11,979,826)	3,684,570

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	3,684,570	1,796,476	(135,828)	(1,051,030)	4,294,188

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	3,889,579	709,844	(27,063)	(887,790)	3,684,570

10. Payables from exchange transactions

Trade payables	8,619,235	12,995,780
Retentions	33,763,035	19,282,934
Other creditors	5,672,403	6,182,882
Travel allowance backpay	-	12,147,479
Implementing agent payables (Refer to note 40)	18,712,036	13,145,775
	66,766,709	63,754,850

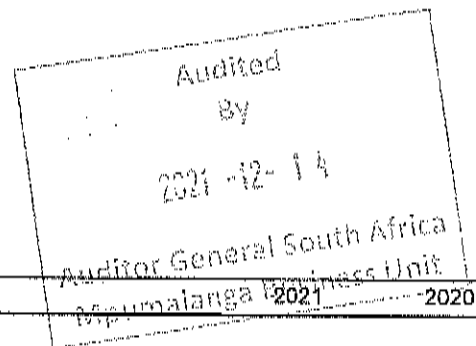
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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand



11. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Provision for long service awards	10,492,652	1,789,000	(805,415)	11,476,237
Leave provision	7,773,856	806,303	(245,454)	8,334,705
Post retirement benefits	16,829,000	2,662,000	-	19,491,000
Provision for performance bonuses	3,428,592	1,045,000	(2,444,667)	2,028,925
	38,524,100	6,302,303	(3,495,536)	41,330,867

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Reduction due to re-measurement or settlement without cost to entity	Total
Provision for long service awards	9,627,544	1,522,000	(656,892)	-	10,492,652
Leave provision	5,855,620	2,136,750	(218,514)	-	7,773,856
Post retirement benefits	20,847,000	3,374,000	-	(7,392,000)	16,829,000
Provision for performance bonuses	1,717,936	1,710,656	-	-	3,428,592
	38,048,100	8,743,406	(875,406)	(7,392,000)	38,524,100
Non-current liabilities				29,098,237	26,263,652
Current liabilities				12,232,630	12,260,448
				41,330,867	38,524,100

Leave provision

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

Provision for performance bonuses

Performance bonuses are being paid to Municipal Manager, managers and municipal staff after an evaluation of performance by the council.

Performance bonuses are awarded to permanent employees and fixed term contract employees subject to certain conditions being met.

Post retirement benefits

Opening balance of defined benefits	16,829,000	20,847,000
Interest cost	2,512,000	2,272,000
Current service cost	1,136,000	1,517,000
Benefits paid	(385,000)	(415,000)
Actuarial gain	(601,000)	(7,392,000)
	19,491,000	16,829,000

Net expense recognised in Statement of Financial Performance

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
11. Provisions (continued)		
Interest cost	2,512,000	2,272,000
Current service cost	1,136,000	1,517,000
Actuarial gain	(601,000)	(7,392,000)
	3,047,000	(3,603,000)
Long service awards		
Opening balance of long service awards	10,492,652	9,627,544
Interest cost	1,058,000	900,000
Current service cost	1,165,000	1,166,000
Benefits paid	(805,415)	(656,892)
Actuarial gain	(434,000)	(616,000)
Past service cost	-	72,000
	11,476,237	10,492,652
Net expense recognised in Statement of Financial Performance		
Interest cost	1,058,000	900,000
Current service cost	1,165,000	1,166,000
Actuarial gain	(434,000)	(616,000)
Past service cost	-	72,000
	1,789,000	1,522,000

Post retirement benefit

The municipality operates an accredited medical aid scheme. Employees who are not on a fixed contract participate in the post retirement medical assistance plan.

The post retirement assistance plan consisting of KeyHealth Medical Scheme (Keyhealth), LA Health Medical Scheme (LA Health), Bonitas Medical Aid Fund (Bonitas), Hosmed Medical Scheme (Hosmed) and SAMWU National Medical Scheme (SAMWUMED). The members are entitled to a 60% retirement subsidy of the total contribution subject to a maximum of R 4,773 per month as from 1 July 2021.

These funds are subject to actuarial valuations. The last valuation was performed by an independent actuarial firm, Alexander Forbes, on 30 June 2021.

Long service awards

The municipality rewards its employees who are in service for an unbroken period of 5 years and longer. Employees are entitled/awarded leave days equivalent to number of years served eg. 10 years of service, one gets 10 days of leave, which can either be taken as leave or to be paid out in cash.

The awards were subjected to actuarial valuation by an independent actuarial firm, Alexander Forbes, on 30 June 2021.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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11. Provisions (continued)

Calculation of actuarial gains & losses

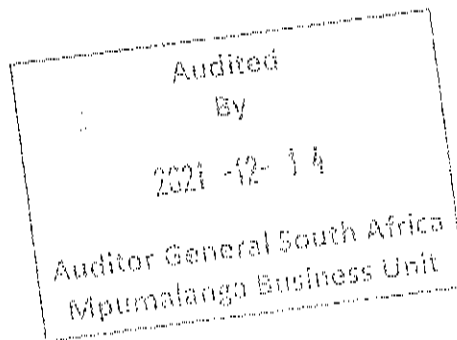
The following key assumptions were used at reporting date:

Post retirement benefits

Discount rate	12.60%	15.10%
CPI Inflation	7.30%	9.30%
Rand Cap Inflation	8.00%	8.00%
Health Care Cost Inflation	9.30%	11.30%
Salary Inflation	4.00%	10.55%
Expected retirement age	65 years	65 years
Continuation members	8	8
In-service members	145	148

Long service awards

Discount rate	9.40%	9.40%
Inflation rate	5.00%	5.00%
Salary Inflation	6.25%	6.25%
Members	189	166



12. Long term liabilities

At amortised cost

DBSA loan	115,482,848	123,340,649
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The municipality has one loan at DBSA during the period. Details of the loan are as follows:

DBSA - 61000886

Maturity date: 31/12/2029

Interest calculated at

11.12%

Non-current liabilities

At amortised cost	106,727,517	115,483,339
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Current liabilities

At amortised cost	8,755,331	7,857,310
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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
13. Finance lease obligation		
Minimum lease payments due		
- within one year	188,774	566,322
- in second to fifth year inclusive	-	188,774
	188,774	755,096
less: future finance charges	(6,445)	(61,563)
Present value of minimum lease payments	182,329	693,533
Present value of minimum lease payments due		
- within one year	182,329	511,204
- in second to fifth year inclusive	-	182,329
	182,329	693,533
Non-current liabilities	-	182,329
Current liabilities	182,329	511,204
	182,329	693,533

The finance lease is for copiers with a lease term of three years and the average effective borrowing rate is 10.25%.

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Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
14. Government grants and subsidies		
Government grant - Equitable Share	282,572,000	253,324,000
Government grant - Finance Management Grant	1,000,000	1,250,000
Government grant - Sector Education and Training Authority	201,212	218,872
Government grant - Department Roads & Transport	2,371,000	2,491,000
Government grant - Expanded Public Works Program Incentive	3,694,000	3,173,000
	289,838,212	260,456,872

National Treasury Finance Management Grant

Current-year receipts	1,000,000	1,250,000
Conditions met - transferred to revenue	(1,000,000)	(1,250,000)
	-	-

The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

National Department of Roads & Transport

Current-year receipts	2,371,000	2,491,000
Conditions met - transferred to revenue	(2,371,000)	(2,491,000)
	-	-

The purpose of this grant is to assist rural district municipalities to set up rural RAMS, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa.

Sector Education and Training Authority

Current-year receipts	201,212	218,872
Conditions met - transferred to revenue	(201,212)	(218,872)
	-	-

The purpose of the funds is for skills and capacity building within the municipality.

Expanded Public Works Program Incentive

Balance unspent at beginning of year	-	-
Current-year receipts	3,694,000	3,173,000
Conditions met - transferred to revenue	(3,694,000)	(3,173,000)
	-	-

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Annual Financial Statements for the year ended 30 June 2021

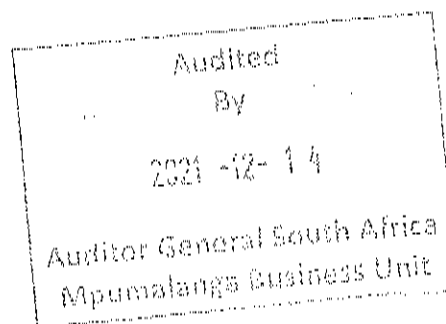
Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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14. Government grants and subsidies (continued)

The purpose of this grant is to incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines:

- road maintenance and maintenance of buildings
- low traffic volume roads and rural roads
- other economic and social infrastructure
- tourism and cultural industries
- sustainable land based livelihoods
- waste management
- parks and beautification
- social services programs
- health services programs
- community safety programs
- basic services infrastructure



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Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
15. Employee related costs		
Basic salaries	92,180,289	90,230,498
Annual bonus	6,111,344	5,857,247
Medical aid - employer contributions	6,693,451	6,446,921
UIF	391,661	403,401
SDL	988,851	814,511
Leave pay provision contribution	806,303	2,136,750
Post-employment benefits - pension - defined contribution plan	16,541,050	15,394,322
Travel allowances	22,924,454	21,756,606
Overtime payments	243,600	388,919
Acting allowances	688,361	335,805
Housing benefits and allowances	746,768	719,326
Bargaining council	24,120	20,066
COVID-19 danger allowances	1,929,214	3,544,503
	150,269,266	148,048,875
Remuneration of Municipal Manager - FS Siboya		
Annual Remuneration	1,217,816	1,203,279
Car Allowance	336,000	336,000
Contributions to UIF, Medical and Pension Funds	218,859	213,720
	1,772,675	1,752,999
Remuneration of Chief Financial Officer - PO Mokoena		
Annual Remuneration	865,430	868,253
Car Allowance	300,000	300,000
Contributions to UIF, Medical and Pension Funds	76,857	73,016
	1,242,287	1,241,269
General Manager: Corporate services - RS Makwakwa		
Annual Remuneration	778,250	797,537
Car Allowance	240,000	240,000
Contributions to UIF, Medical and Pension Funds	224,102	203,731
Other allowances	19,129	98,251
	1,261,481	1,339,519
General Manager: LED & Tourism - NP Mahlalela		
Annual Remuneration	878,731	885,816
Car Allowance	336,000	336,000
Contributions to UIF, Medical and Pension Funds	235,365	227,312
Acting allowances	14,234	-
	1,464,330	1,449,128

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Figures in Rand	2021	2020
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15. Employee related costs (continued)

General Manager: Technical services - ND Malokela

Annual Remuneration	807,928	655,701
Car Allowance	240,000	240,000
Contributions to UIF, Medical and Pension Funds	194,438	159,379
Acting allowances	19,129	-
	1,261,495	1,055,080

General Manager: Municipal Health & Environment- ST Shabangu

Annual Remuneration	825,677	821,434
Car Allowance	240,000	240,000
Contributions to UIF, Medical and Pension Funds	186,362	179,835
	1,252,039	1,241,269

General Manager: Public Safety & Disaster Management - HTM Nkosi

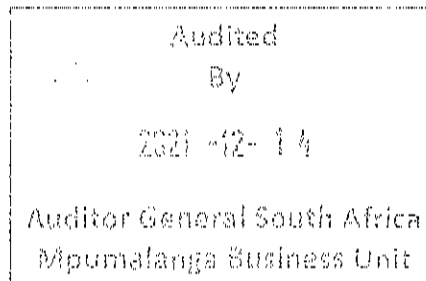
Annual Remuneration	737,709	743,950
Car Allowance	300,000	300,000
Contributions to UIF, Medical and Pension Funds	202,094	197,319
Acting allowance	-	20,907
Other allowances	-	81,293
	1,239,803	1,343,469

Salaries, allowances and benefits of Councillors as disclosed in note 16 of these Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Corporative Governance and Traditional Affairs determination in accordance with this Act.

Remuneration of staff is within the upper limits of the SALGA Bargaining Council determinations.

16. Remuneration of councillors

Executive Mayor	Audited	1,087,797	1,087,797
Speaker	By	878,397	878,397
Councillors		8,075,324	8,103,780
Councillors' pension contribution		944,729	919,556
Chief Whip		826,047	826,047
Councillors other allowances		4,451,907	4,606,272
SDL		104,666	98,529
		16,368,867	16,520,378



In-kind benefits

The Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor and Speaker have the use of a council owned vehicles for official duties.

The Executive Mayor has a full-time bodyguard, a full-time driver, at the cost of the council. The Speaker has a full-time driver at the cost of the council.

Annual Financial Statements for the year ended 30 June 2021

Figures in Rand

Figures in Rand	2021	2020
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Executive Mayor - Cllr J Sidell

Annual Remuneration	679,609	679,609
Car Allowance	261,749	261,749
Contributions to UIF, Medical and Pension Funds	146,439	146,439
Auditor General South Africa Mogamatlana Business Unit	1,087,797	1,087,797

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Annual Remuneration
Car Allowance
Contributions to UIF, Medical and Pension Funds

543,043	543,043
209,399	209,399
125,955	125,955
878,397	878,397

Annual Remuneration
Car Allowance
Contributions to UIF, Medical and Pension Funds

567,117	567,117
196,312	196,312
62,618	62,618
826,047	826,047

Annual Remuneration
Car Allowance
Contributions to UIF, Medical and Pension Funds
Acting allowances

548,719	552,917
196,312	196,312
81,016	76,818
-	4,027
826,047	830,074

Annual Remuneration
Car Allowance
Contributions to UIF, Medical and Pension Funds

516,093	517,903
196,312	196,312
113,954	111,832
826,359	826,047

Annual Remuneration
Car Allowance
Contributions to UIF, Medical and Pension Funds

552,917	558,178
196,312	190,262
76,818	77,607
826,047	826,047

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

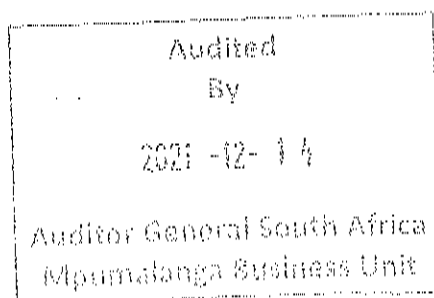
Figures in Rand	2021	2020
16. Remuneration of councillors (continued)		
MMC Social Services - Cllr S Mashigo-Sekgobela		
Annual Remuneration	525,346	527,113
Car Allowance	196,312	196,312
Contributions to UIF, Medical and Pension Funds	104,726	102,622
	826,384	826,047
MMC Corporate Services - Cllr MJ Mavuso		
Annual Remuneration	605,735	605,735
Car Allowance	196,312	196,312
Contributions to UIF, Medical and Pension Funds	24,000	24,000
Acting allowance	18,787	28,189
	844,834	854,236
MMC Finance - Cllr MJ Mnisi		
Annual Remuneration	552,917	551,980
Car Allowance	196,312	196,312
Contributions to UIF, Medical and Pension Funds	76,818	77,755
Acting allowance	-	5,034
	826,047	831,081
MMC Disaster Management - Cllr TR Manyisa		
Annual Remuneration	514,468	521,640
Car Allowance	196,312	190,262
Contributions to UIF, Medical and Pension Funds	115,607	114,145
	826,387	826,047
17. Depreciation and amortisation		
Property, plant and equipment	10,001,012	8,763,884
Intangible assets	1,051,030	887,790
	11,052,042	9,651,674
18. Finance costs		
Interest - other	3,570,092	3,199,354
Interest - finance leases	55,118	104,719
Interest - Development Bank of Southern Africa	13,507,667	14,351,430
	17,132,877	17,655,503

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
19. Repairs and maintenance		
Buildings	1,444,135	3,596,663
Vehicles	534,204	539,662
Furniture and fittings	70,660	28,092
Plant and equipment	10,872	1,435
	2,059,871	4,165,852
20. Contracted services		
Security services	1,416,090	1,140,523
21. Grants and subsidies		
Other subsidies		
Nkomazi Local Municipality	-	9,466,173
Department of Roads & Transport	1,958,642	2,057,782
Mbombela Local Municipality	-	10,629,821
COVID-19 relief	1,931,520	2,344,195
Thaba Chweu Local Municipality	800,051	4,693,652
Bushbuckridge Local Municipality	3,622,169	500,000
Other organs of state	514,646	-
	8,827,028	29,691,623
22. Auditors' remuneration		
Audit fees	3,233,793	2,742,809



Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

23. Operational expenses

	2021	2020
Audit Committee	375,015	326,036
Bank charges	28,354	56,915
Bursaries	747,141	716,941
Community outreach	2,797,656	4,630,789
Conferences and seminars	60,497	125,443
Consulting and professional fees	10,593,193	8,662,597
Commission paid to third parties	12,000	1,000
Disaster management cost - centre	1,074,460	983,964
Disaster management operational cost	1,713,800	1,640,000
Electricity, water and rates	7,652,133	7,263,766
Entertainment	240,185	655,901
Fuel and oil	637,519	685,718
GIS operational costs	174,256	54,881
COVID-19 related expenses	12,771,818	5,702,477
IDP review	65,906	81,275
IT expenses	5,135,183	5,184,037
Insurance	631,635	440,879
Legal fees	363,832	1,576,609
Marketing	879,462	1,101,434
Municipal health operational cost	134,589	564,658
Other expenses	1,296,029	984,230
Other programs and campaigns	1,851,069	1,898,294
Postage and courier	3,647	3,955
Printing and stationery	1,301,805	1,366,649
Project maintenance costs	-	11,362
Protective clothing	59,000	190,262
Telephone and fax	2,097,345	1,515,072
Tourism development	753,477	1,849,160
Training	954,956	407,482
Travelling and subsistence	3,819,446	6,825,586
	58,225,408	55,507,372

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24. Cash generated from operations

Surplus (deficit)	24,456,815	(5,286,398)
Adjustments for:		
Depreciation and amortisation	11,052,042	9,651,674
Actuarial (gain)	(1,035,000)	(8,008,000)
(Gain) on fair value adjustments	(174,364)	1,026,950
Loss on disposal of assets	256,969	118,830
Finance costs - Finance leases	55,118	104,719
Provision for bad debts	6,099,343	701,473
Movements in provisions	3,841,767	8,484,000
Other non-cash items	(2,585)	(76,433)
Changes in working capital:		
Inventories	(4,167,403)	9,419,553
Receivables from exchange transactions	(27,896,941)	(11,938,867)
Payables from exchange transactions	3,011,860	7,026,108
VAT	(5,253,605)	(2,060,131)
	10,244,016	9,163,478

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

2021

2020

25. Financial Instruments disclosure

Categories of financial instruments

2021

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	49,907,055	49,907,055
Cash and cash equivalents	-	742,372	742,372
Investments	4,598,919	81,069,587	85,668,506
	4,598,919	131,719,014	136,317,933

Financial liabilities

	At amortised cost	Total
Long term liabilities	115,482,848	115,482,848
Payables from exchange transactions	66,766,709	66,766,709
Finance lease liability	182,329	182,329
	182,431,886	182,431,886

2020

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	28,109,457	28,109,457
Cash and cash equivalents	-	6,362,551	6,362,551
Investments	4,424,554	79,121,421	83,545,975
	4,424,554	113,593,429	118,017,983

Financial liabilities

	At amortised cost	Total
Long term liabilities	123,340,649	123,340,649
Payables from exchange transactions	63,754,850	63,754,850
Finance lease liability	693,533	693,533
	187,789,032	187,789,032

26. Commitments

Authorised expenditure

Already contracted for but not provided for

• Property, plant and equipment	10,872,871	5,117,173
• Building repairs and maintenance	-	479,456
	10,872,871	5,596,629

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Notes to the Annual Financial Statements

Figures in Rand

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27. Contingencies

Contingent liabilities

1. Joint Municipal Pension Fund

The Joint Municipal Pension Fund is suing the municipality for contributions on pension fund of a former employee of the Municipality and was their member but left in 2007 after he volunteered to retire following the transfer of the ambulance services from the municipality to the Department of Health.

The amount claimed in this matter is estimated at R765 779.32. Judgement has been issued in favour of EDM. The plaintiff immediately filed an application for leave to appeal and it was set down and argued on 29 June 2020 virtually when the judge granted the leave to appeal. Court date set for 17 November 2021.

2. Antoinette Kolesky and other

The Plaintiffs are the registered owners of the Remaining Extent of Portion 9 of the Farm Drasikraal 48 ("herein after referred to as "the Property"), situated at Thaba Chweu Local Municipality within the jurisdiction of Ehlanzeni District Municipality.

The Plaintiffs instituted the action proceedings, following developments that were executed within the property without their consent, and further establishing a Human Settlement for the unlawful occupiers to move in to the property.

On or about the 14th February 2018, the Plaintiffs' Attorneys of Record, addressed a letter to the Thaba Chweu Local Municipality, providing several options to resolve the illegal occupation, including but not limited to, that the Thaba Chweu acquire or expropriate the Plaintiffs' Property at a market value, that the unlawful settlement occurred on the Plaintiffs' Property be ignored when determining the market value of the Property for purposes of any expropriation or acquisition of the Property by the defendants.

The matter could not be resolved at that time, and Thaba Chweu approached the Department of Human Settlements in Mpumalanga requesting assistance with buying the Property from the Plaintiffs. The Defendants, after being served with Summons, held a meeting on the 24th of May 2019 to discuss a way forward in this matter, and a unanimous decision was taken not to proceed defending the matter.

The Parties intends to settle the matter and a draft deed of settlement has been prepared by the State Attorney on behalf of the defendants and sent to plaintiffs for consideration of the terms entailed. Department of Human Settlement appointed a Property Valuer to do valuations.

3. D Sihlangu

This is an unfair discrimination dispute referred to the Labour Court by the applicant in terms Rule 6 of the Labour Court Rules, against EDM. Applicant wants his post to be adjusted from post level 8 to post level 5 to be in line with other Coordinators. The amount claimed cannot be reliably estimated however legal fees paid to date exceeds R 151,622 with an additional estimated legal fees of R200,000.

Matter is defended by the municipality and pre-trial conference between the parties conducted in February 2020.

4. L. Sithole

This is an unfair discrimination dispute referred to the Labour Court by the applicant in terms Rule 6 of the Labour Court Rules, against EDM. Applicant wants his post to be adjusted from post level 8 to post level 5 to be in line with other Coordinators. The amount claimed cannot be reliably estimated however legal fees paid to date exceeds R 107,633 with an additional estimated legal fees of R200,000.

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

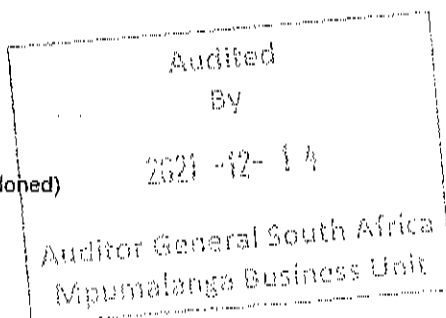
Figures in Rand	2021	2020
28. Unauthorised, Irregular, Fruitless and wasteful expenditure		
28.1 Unauthorised expenditure		
Opening balance	186,345	186,345
Add: Incurred during the year	-	-
Less: Amount written off	(186,345)	-
Less: Amount recovered	-	-
	-	186,345

Remedial actions:

- The official concerned was subjected to a disciplinary processes during the year and a sanction of a six months written warning was the outcome of the process.
- The amount of R186 345 was written off as per Council Resolution A89 of 26 August 2021 following MPAC investigation and recommendation.

28.2 Irregular expenditure

Opening balance	60,750	3,684,623
Add: Irregular Expenditure - current year	666,528	1,336,512
Less: Amounts written off	(666,528)	(4,780,386)
Less: Amounts regularised	-	(180,000)
Less: Amounts not recoverable (not condoned)	-	-
	60,750	60,750



Details of irregular expenditure

Incidents:

The contract of R666 528 was approved by an official not having delegated authority.

Remedial actions:

- The irregular expenditure was referred to MPAC and Municipal Disciplinary Board for investigations as per Council Resolution A63 of 24 June 2021.
- A total of R666 528 was written off as per Council Resolution A91 of 26 August 2021 following MPAC investigation and recommendations.
- The official concerned will be subjected to a disciplinary process following the Municipal Board Disciplinary Board investigations and recommendations as per Council Resolution A93 of 26 August 2021.

28.3 Fruitless and wasteful expenditure

Opening balance	22,400	125,147
Add: Fruitless and Wasteful Expenditure - current year	50,177	51,625
Less: Amounts recovered	(20,955)	(125,076)
Less: Written off by Council	(29,222)	(29,296)
	22,400	22,400

Incidents:

- Interest charges of R4 808,27 was incurred during the year due to late payments to a supplier (Telkom) as a result of delays in receiving of invoices and irregular contract.
- Cancellation fees payments amounting to R29 078,46 in respect of no show for accommodation bookings.
- Traffic fines payments amounting to R16 290,00.

Ehlanzeni District Municipality

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28. Unauthorised, Irregular, Fruitless and wasteful expenditure (continued)

Remedial actions:

- The fruitless and wasteful expenditures had been referred to MPAC and Municipal Disciplinary Board for investigations as per Council Resolutions A31 of 29 April 2021 and A63 of 24 June 2021.
- A total of R29 222,00 was written off as per Council Resolutions A90, A91 and A92 of 26 August 2021 following MPAC investigations and recommendations.
- A total of R20 955 was recovered as per Council Resolutions A90, A91 and A92 of 26 August 2021 following MPAC investigations and recommendations.

29. Risk management

Financial risk management

Exposure to interest rate, liquidity and credit risks arises in the normal course of the Municipality's operations. The municipality has established a risk management committee, which is responsible for developing and monitoring the municipality's risk management policies. The risk management policies are established to identify and analyse the risks faced by the municipality, to set up risk limits and controls and to monitor risks and adherence to limits. Risk management policies are to be reviewed regularly to reflect changes in the municipality's activities.

Liquidity risk

Ehlanzeni District Municipality manages its liquidity risks by effectively managing its working capital, capital expenditure and external borrowings. Revolving credit facilities in the form of an R20,000,000 bank overdraft has been negotiated with the main banker and provisionally approved. The overdraft facility will cater for any unexpected temporary shortfall in operating funds.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

At 30 June 2021	Less than 1 year	Between 1 and 5 years	Over 5 years
Long term liabilities	8,755,331	61,218,517	45,509,000
Payables from exchange transactions	66,766,709	-	-
Finance leases	182,329	-	-
At 30 June 2020	Less than 1 year	Between 1 and 5 years	Over 5 years
Long term liabilities	7,857,310	54,940,068	60,543,271
Payables from exchange transactions	63,754,850	-	-
Finance leases	511,204	182,329	-

Credit risk

Ehlanzeni District Municipality manages its credit risk in its borrowing and investing activities by dealing with the A+ rated financial institutions and by spreading its exposure over a wide range of financial institutions in accordance with the approved cash and investment policy as was approved by council.

Management evaluated credit risk relating to receivables from exchange transactions on an ongoing basis. If receivables from exchange transactions are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivables, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020
Cash and cash equivalents	742,372	6,362,551
Non-current investments	1,081,804	1,046,703
Current investments	84,586,702	82,499,272
Receivables from exchange transactions	49,907,055	28,109,457

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

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29. Risk management (continued)

Market risk

Interest rate risk

Ehlanzeni District Municipality is not exposed to any interest rate risks on its financial liabilities. As at the end of the financial year, 30 June 2021, Ehlanzeni District Municipality had only one fixed interest bearing loan with the Development Bank of Southern Africa (DBSA) as reflected in APPENDIX A. It should be noted that the interest in this loan is fixed until maturity. Similarly, with financial assets, Ehlanzeni District Municipality invests its surplus funds not immediately required in a fixed interest rate deposit with the A+ rated banks for fixed terms not exceeding one year.

30. Related parties

Relationships

Close family member of key management
Members of key management & Councillors

None
See note 15 and 16.

31. Interest received

Interest revenue

External investment	6,854,208	10,297,507
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32. Change in estimate

Property, plant and equipment and Intangible assets

The estimated useful life of assets in certain classes of Property, Plant and Equipment and Intangible Assets were assessed during the current financial year. In the current financial year management have extended their estimated useful lives. The effect of this revision has decreased the depreciation and amortisation charges for the current period and increased for future periods by R 709 880.

The impact on Intangible assets due to the extension of their useful lives is R 101 364. Refer to note 9.

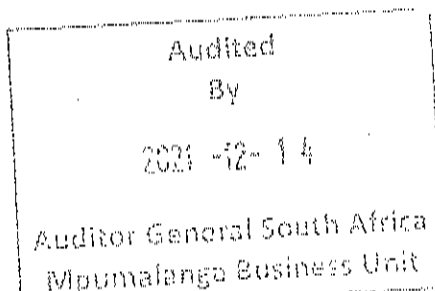
The impact on Property, plant and equipment due to the extension of their useful lives is R 608 516. Refer to note 8.

33. Revenue

Operational income	825,956	589,250
Rental of facilities and equipment	403,535	291,744
Interest received	6,854,208	10,297,507
Dividends received	137,544	153,132
Government grants & subsidies	289,838,212	260,456,872
Fines & penalties	100,000	150,000
Donations in kind	29,550	1,738,959
	298,189,005	273,677,464

The amount included in revenue arising from exchanges of goods or services are as follows:

Operational income	825,956	589,250
Rental of facilities and equipment	403,535	291,744
Interest received	6,854,208	10,297,507
Dividends received	137,544	153,132
	8,221,243	11,331,633



Ehlanzeni District Municipality

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Figures in Rand	2021	2020
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33. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Government grants & subsidies	289,838,212	260,456,872
Fines & penalties	100,000	150,000
Donations in kind	29,550	1,738,959
	289,967,762	262,345,831

34. Comparative figures

Skills development levies paid for councillors re-classified from employee related cost to councillors remuneration as these levies are related to councillors remuneration and not employee related costs.

The effects of the reclassification are as follows:

Statement of Financial Performance

Employee related cost	-	(98,529)
Remuneration of councillors	-	98,529

35. Events after the reporting date

No events after the reporting date were identified by management that require adjustment to the balances at reporting date or additional disclosure.

36. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

SALGA Membership fee	1,484,383	1,509,197
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PAYE, UIF and SDL

Amount paid - current year	36,310,808	32,471,915
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Pension and Medical Aid Deductions

Amount paid - current year	37,615,758	35,406,688
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VAT

VAT received - current year	3,283,319	6,125,144
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37. Deviations i.t.o section 36 of Supply Chain Management Policy

1. Fixed amount deviation procurements - Regulation 36(a):

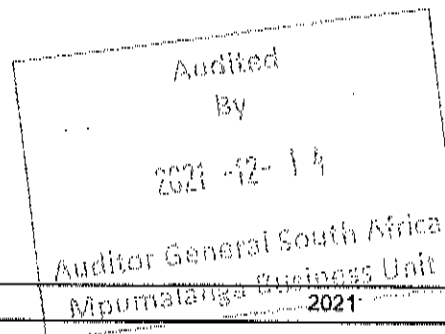
Supplier	Description of goods/work/services	Amount Excl. VAT	Deviation reasons
Bhimbho ICT Solutions (Pty) Ltd	Appointment of a service provider to conduct an it security assessment	R 187,224.87	Emergency
Emalangen technologies (Pty) Ltd	Purchase of 8 corporate zoom licenses	R 86,956.48	Emergency
Sakhumzi enterprise (Pty) Ltd	Purchase of 200 5l gas stoves, 400 blankets, 400 mattresses & 40 boxes of chlor-floc as disaster relief material	R 458,796.00	Emergency

Ehlanzeni District Municipality

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37. Deviations i.t.o section 36 of Supply Chain Management Policy (continued)

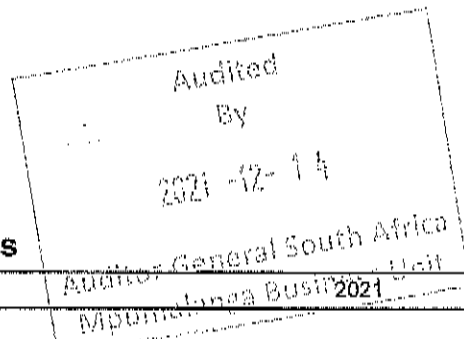
Silindzile enterprise (Pty) Ltd	Supply and delivery of 300 x 2 ply double bed blankets and 275 mattress single beds	R	197,042.50	Emergency
Tebewa (Pty) Ltd	Supply and delivery of 250 x 2 ply double bed blankets, 225 single bed mattresses, and 200 x single plate gel gas stoves	R	198,296.25	Emergency
Vittorio global	Supply and delivery of 600 food parcels (12,5kg mealie meals, 5kg rice, 5kg sugar, 1kg coffee, 6 pack tinned fish, 1kg salt, 250g tea, 5l cooking oil, 10 per pack soup, 2kg sugar beans, 450g bath soap, 2kg onions, 2 cabbages, 10kg butternuts and 10kg potatoes)	R	792,300.00	Emergency
Afrocentric intellectual property	Appointment of a service provider to conduct an it security vulnerability assessment	R	132,940.80	Impractical
Asande guarding division (Pty) Ltd	Procurement of security risk reassessment services, inclusive of structural risks & electronic system risks	R	171,435.00	Impractical
Association of municipal electricity undertakings	Payment of ameu annual membership fee 2020/21 for an official within the technical services department	R	2,608.70	Impractical
Barberton community radio t/a bcr FM	Procurement of 8 radio slots for 30 minute interviews within local communication radio broadcasting	R	40,000.00	Impractical
Bongani & sons projects (Pty) Ltd	Appointment of a service provider to conduct an it vulnerability assessment	R	176,030.65	Impractical
Bongani & sons projects (Pty) Ltd	Appointment of a service provider to conduct an it vulnerability assessment	R	176,030.65	Impractical
Business connexion	Provision of on-site information and communications technology services for a period of two years plus ad-hoc support	R	1,751,559.60	Impractical
Business connexion	Maintenance, licensing in respect of solar, database, application and peripheral software as indicated in annexure 8, and schedule 6 of the service level agreement	R	2,097,594.00	Impractical
C and s zippel supplies and repairs (Pty) Ltd	Disassembling of a zippel cabinet & relocating it to be assembled in another office	R	7,885.00	Impractical
Chartered institute of government finance, Audit & risk officers	CIGFARO annual conference registration fee for the risk officer to attend a workshop	R	2,989.57	Impractical
CTP limited t/a Lowveld media	Publishing of a notice the final approved IDP & budget framework	R	6,971.20	Impractical
CTP limited t/a Lowveld media	Publishing of various vacancies within EDM	R	35,567.30	Impractical
CTP limited t/a Lowveld media	Publication of spluma notices	R	16,894.40	Impractical
CTP limited t/a Lowveld media	Publishing of the mayor's Christmas message	R	14,500.80	Impractical
CTP limited t/a Lowveld media	Advertising of tenders for prospective bidders	R	10,891.20	Impractical
CTP limited t/a Lowveld media	Advertising of tenders in the Lowvelder & Mpumalanga news publications on the 9 th & 10 th of June 2021	R	19,139.00	Impractical
CTP limited t/a Lowveld media	Advertising of tenders in the Lowvelder & Mpumalanga news publications 16 th & 17 th of June 2021	R	17,978.40	Impractical
CTP limited t/a Lowveld media	Advertising of a vacancy: senior manager transversal	R	6,885.91	Impractical
CTP limited t/a Lowveld media	Publishing a notice on the document sharing and collaboration platform in the Lowvelder & Mpumalanga news publications	R	21,749.00	Impractical
CTP ltd t/a Lowveld media	Advertising of tenders in the Lowvelder & Mpumalanga news newspapers on the 19 th & 20 th of May 2021	R	34,795.20	Impractical
CTP ltd t/a Lowveld media	Advertising of tenders in the Lowvelder & Mpumalanga news newspapers on the 02 nd & 03 rd of June 2021	R	48,333.60	Impractical

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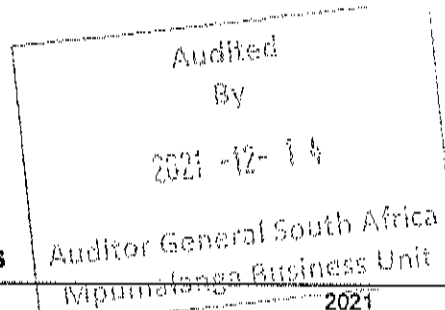
37. Deviations I.t.o section 36 of Supply Chain Management Policy (continued)			2021	2020
CTP Ltd t/a Lowveld media	Advertising of tenders in the Lowveld & Mpumalanga news newspapers on the 26 th & 27 th of May 2021	R	17,978.40	Impractical
CTP Ltd t/a Lowveld media	Advertising of tenders in the Lowveld & Mpumalanga news newspapers on the 12 th & 13 th of May 2021	R	25,928.00	Impractical
Distinctive choice 721cc t/a Huson panel beaters	Payment of an excess to a panel beater used by the insurance for repairs to municipal vehicle that was involved in an accident.	R	4,347.83	Impractical
Distinctive choice 721cc t/a Huson panel beaters	Payment of an excess for the repairs to a council vehicle	R	4,347.83	Impractical
Ekasi community radio station	Procurement of 8 radio slots for 30 minute interviews within local community radio broadcasting	R	40,000.00	Impractical
Inspirational safety training and technology	Occupational health and safety ISO 45001 training for the EDM occupational health officer	R	12,600.00	Impractical
Jamasi holdings (Pty) Ltd t/a Mpumalanga mirror	Publishing of an editorial article on the 2020/2021 budget speech in response to covid19	R	20,700.00	Impractical
Juniar investments (Pty) Ltd t/a Emoyeni B&B	Catering services for the guesthouse support program training session to be held in Mbombela	R	16,000.00	Impractical
Ks boutique hotel (Pty) Ltd	Catering services for the guesthouse support program site visit	R	9,000.00	Impractical
Lales civil and electrical (Pty) Ltd	Performance of electrical repairs	R	149,573.00	Impractical
Mashishing communications t/a Mash FM	Procurement of 8 radio slots for 30 minute interviews within local communication radio broadcasting	R	40,000.00	Impractical
Mobile telephone networks (Pty) Ltd – (MTN)	Purchase of data bundles for EDM councilors	R	2,775.65	Impractical
Mobile telephone networks (Pty) Ltd – (MTN)	Purchase of data bundles for EDM councilors	R	2,680.00	Impractical
Nikiwe jannepher Matsebula	Appointment of a sign language interpreter for the empowerment conference for persons with disabilities for a period of two days	R	5,000.00	Impractical
Nikiwe jannepher Matsebula	Provision of sign language interpretation services during the older persons outreach Program	R	2,500.00	Impractical
Nikiwe jannepher Matsebula	Provision of sign language interpretation services during annual general meeting of disability forum	R	2,500.00	Impractical
Nikiwe jannepher Matsebula	Provision of sign language interpretation services for the Ehlanzeni district mayoral disability awards	R	2,500.00	Impractical
Nkoboni construction and projects	EDM/48/2020-21 siting, drilling and equipment of two new boreholes in Nkomazi local municipality (re-advertisement	R	864,517.50	Impractical
Nkomazi FM radio	Procurement of 8 radio slots for 30 minute interviews within local communication radio broadcasting	R	44,000.00	Impractical
MI Durban South Motors (Pty) Ltd t/a Garden City motors Mbombela	Servicing of a council vehicle	R	11,092.09	Impractical
Palomino events and management	Appointment of a service provider of the website for the hosting of the three EDM subdomains for a period of three months	R	39,908.16	Impractical
Payday software systems (Pty) Ltd	Registration fee for 4 payroll staff to attend a practical seminar / irp5 workshop and legislative symposium	R	20,166.96	Impractical

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37. Deviations i.t.o section 36 of Supply Chain Management Policy (continued)

Payday software systems (Pty) Ltd	Annual licensing fee and support for a period of two years excluding training on updates and refresher courses as well as disbursements	R	294,551.02	Impractical
Pronto computer solution	Repairing of printers & replacement of faulty parts	R	9,072.00	Impractical
R FM media house	Procurement of 8 radio slots for 30 minute interviews within local community radio broadcasting	R	40,000.00	Impractical
Rise broadcast (Pty) Ltd t/a rise FM	Procurement of radio slot airtime to broadcast a Christmas message from the executive mayor	R	38,900.68	Impractical
Riversides kaia (Pty) Ltd	Catering services for the guesthouse support program's tools & first aid certificates handover event	R	11,600.00	Impractical
Riversides kaia (Pty) Ltd	Catering services for the guesthouse support program training session to be held in Mkhuhlu	R	11,000.00	Impractical
Rosina Florence Mahlangu	Appointment of a sign language interpreter for the empowerment conference for persons with disabilities for a period of two days	R	6,000.00	Impractical
Rosina Florence Mahlangu	Provision of sign language interpretation services during the older persons outreach Program	R	2,500.00	Impractical
Rosina Florence Mahlangu	Provision of sign language interpretation services during annual general meeting of disability forum	R	2,500.00	Impractical
Rosina Florence Mahlangu	Provision of sign language interpretation services during the Ehlanzeni District mayoral disability awards	R	2,500.00	Impractical
Sagwadi hotel (Pty) Ltd	Catering services for the guesthouse support program training session to be held in Bushbuckridge	R	17,500.00	Impractical
South African institute of environmental health	Provision of registration services for municipal health	R	6,800.00	Impractical
South African institute professional accountants	Payment of professional body membership fees for 2 finance officials	R	11,047.60	Impractical
South African society for labor law (salsa)	Registration fee for 3 officials within the legal services unit to attend a salsa workshop	R	12,600.00	Impractical
The institute of risk management south Africa	Professional body annual membership fees for the chief risk officer	R	2,000.00	Impractical
The south African institution of civil engineering (saica)	Registration fee for 7 technical services officials to attend a 3 day workshop of the general conditions of contracts for capital projects	R	47,508.70	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	13,049.57	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	8,164.35	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	6,173.04	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	7,367.83	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	7,367.83	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	6,372.17	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	5,202.61	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	9,104.35	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	12,545.21	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	13,142.60	Impractical
Vodacom	Purchase of data bundles for EDM councilors	R	13,142.60	Impractical
Vuyani marketing & distribution t/a view inn	Catering services for the guesthouse support program training session to be held in Mbombela	R	13,913.04	Impractical
CTP limited t/a Lowveld media	Advertising of a vacancy: i.t. Technician	R	4,802.43	Impractical

Ehlanzeni District Municipality

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Figures in Rand		2021	2020
37. Deviations i.t.o section 36 of Supply Chain Management Policy (continued)			
CTP limited t/a Lowveld media	Publishing of the mayoral bursary funding program	R 16,120.00	Impractical
Aqualytic laboratory & Environmental	Purchase of water testing consumables	R 60,822.94	Sole provider
Aqualytic laboratory & Environmental	Maintenance and calibration of d600 spectrophotometer	R 1,800.00	Sole provider
Aqualytic laboratory & Environmental	Purchase of laboratory test kits & testing consumables	R 42,627.00	Sole provider
Government printing works	Publishing the notice of adoption of the spatial development framework review in the provincial government gazette	R 657.91	Sole provider
Kruger Lowveld chamber of business & tourism	Printing & installation of regional maps in support of the Graskop LTO & Sabie LTO within the 2 respective towns	R 39,800.00	Sole provider
Tecroveer (Pty) Ltd	BID NO. EDM/50/2020-21 - Appointment of a contractor for the refurbishment of the (mechanical and electrical works) Coromandel Wastewater Treatment Works at Thaba Chweu Local Municipality	R 2,924,487.50	Sole provider
Total		R 11,773,254.48	

2. Fixed rates or price per unit deviation procurements - Regulation 36(a)

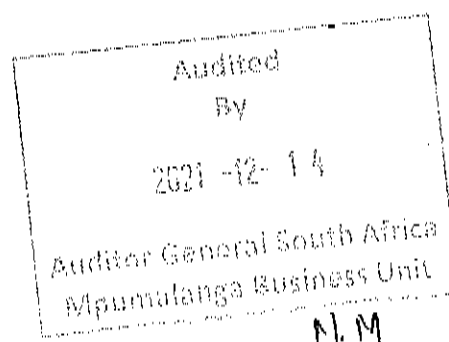
Malomini Strategists (Pty) Ltd	Further re-appointment of a service provider for emergency sanitizing and disinfecting services of the two municipal buildings and other facilities in response to the covid-19 pandemic	R10,39 per m ²	Emergency
Leano n1 construction	Emergency appointment of service providers to conduct fumigation services within the edm offices in line with covid-19 safety precautions.	R 2,394.00	Emergency
Matsane attorneys Inc.	Providing legal services and representing the municipality at the labor court, in a matter involving a municipal employee	R 22,261.50	Impractical
Thenjiwe Nkosi attorneys	Provision of legal services on a labor matter involving a municipal official	R 25,377.50	Impractical
Thenjiwe Nkosi attorneys	Provision of legal services on a labor matter involving a municipal official	R 9,415.50	Impractical

3. Ratification of minor breaches procurement - Regulation 36(b)

Malomini Strategists (Pty) Ltd	EDM/22/2020-21 appointment for pre-cautionary disinfection services for covid-19 containment & control on an ad-hoc basis	R10,09 per m ²	Ratification
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38. Budget differences

Material differences between budget and actual amounts

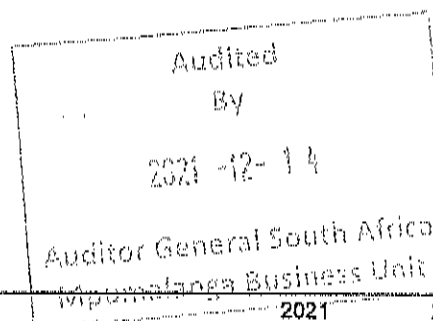


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Variances in excess of 10% is considered significant and therefore explanations are provided below:

38.1 Operational income

Projected revenue could not be realised as Municipal Health Department could not achieve its planned premises compliance inspection services due to the COVID-19 pandemic.

38.2 Rental of facilities and equipment

The additional rental revenue was realised due to municipal property rental agreement concluded in May 2020.

38.3 Interest Received

The interest revenue could not be realised due to the low interest rate environment as a result of the REPO rate cut during 2020 by the South African Reserve Bank in response to the COVID-19 pandemic.

38.4 Fines

Fines issued to business premises that are not complying with the Municipal Health By-Laws.

38.5 Donation in kind

COVID-19 personal protection equipment and supplies donated by other organs of state recognized as revenue in line with GRAP 23.

38.6 Grants and subsidies

Transfer of completed capital projects budgeted for in the prior and current financial years to local municipalities and organs of state.

38.7 Operational expenses

Some of the planned operational programmes and projects as per the service delivery and budget implementation plan could not be implemented due to the COVID-19 lockdown regulations and also savings have been realised due to the implementation of cost containment policy approved by Council in July 2019.

38.8 Operating surplus

The operating surplus was mainly realised due to the following factors;

- (a) Delay on the filling of funded positions, upper limits for increase of annual remuneration packages of senior managers and councillors not gazetted, and
- (b) Some capital projects were not completed as assets to be transferred to local municipalities as planned due to COVID-19 pandemic, communities unrest and reliance on other organs of state.

38.9 Proceed from sale of assets and loss on disposal of assets

Proceeds received from insurance claims for damaged and stolen assets.

38.10 Gain on fair value adjustment

The equity prices for Sanlam and Momentum JSE listed shares performed more than projected.

38.11 Actuarial gain and Provisions

Increase in adjustment in the value of the provision for post-employment benefits resulted in actuarial gain in accordance with GRAP 25.

38.12 Inventory

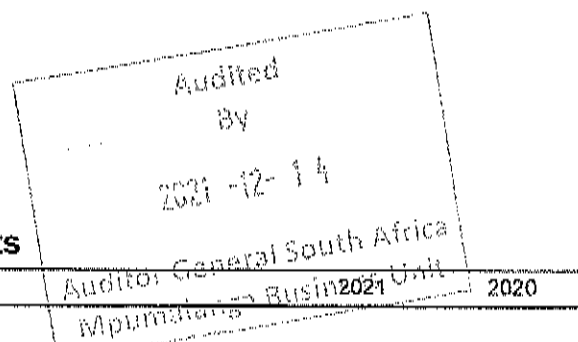
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Ehlanzeni District Municipality

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Some capital projects were not completed as assets to be transferred to local municipalities as planned due to COVID-19 pandemic, communities unrest and reliance on other organs of state.

38.13 Cash and Cash Equivalent, and Investments

The movement in cash and cash equivalent, and investment is as a result of changes in expenditure and payment management system, and cash and investment management strategy implemented during the year resulted in more cash being held in call accounts and short-term fixed deposits.

38.14 Receivables from exchange transactions

Accrual of monies owed by the Department of Water and Sanitation (Principal) to the municipality (Agent) as a result of the implementing agency agreement in accordance with GRAP 109.

38.15 VAT receivable

The accrual of VAT refunds not anticipated during the finalisation of the budget.

38.16 Property, Plant and Equipment, and Intangible assets

Projected accumulated depreciation or amortization not realised as a result of asset completed during the year and review of useful lives of fixed assets, and less spending than projected on the budgeted capital projects as well as reclassification of capital expenditure transactions and donation of completed related assets to local municipalities.

38.17 Non-current Borrowings

Reclassification of the remaining balance on the long-term borrowings between non-current and current liabilities at year-end to in line with the loan amortisation schedule.

38.18 Finance lease obligation

The classification of the rental agreement of copiers as a finance lease in accordance with GRAP 13 and the apportionment of the obligation between current and non-current obligation.

38.19 Payables from exchange transactions

Unanticipated increase in retention monies and accrual of implementing agency transactions which could not be precisely estimated during the preparation of the budget.

38.20 Provisions

Reclassification of the remaining balance on the long-term provisions between non-current and current liabilities at year-end to in line with the GRAP 25 valuations.

38.21 Accumulated Surplus

The decrease in grants and subsidies expenditure as a result of incomplete capital projects during the year and higher than anticipated payables and receivables as a result of implementing agent transactions in accordance with GRAP 109.

38.22 Implementing Agency Receipts and Payments

Accounting of receipts and payments transactions between principals (Department of Water and Sanitation and Nkomazi Local Municipality) and the municipality as an implementing agent in accordance with GRAP 109.

38.23 Other receipts

N. M

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

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Unanticipated VAT refunds received from SARS during the financial year and not budgeted for.

38.24 Dividends received

The closure of the Standard Bank account during the reporting period resulted in the dividends declared in April 2021 not been paid out by SANLAM at year end.

39. Prior period adjustments

Prior period adjustments through surplus includes the following:

Certain expenses were paid in the current period relating to prior periods to the value of R 185,973.

The early settlement discount of the SALGA annual for levy for 2020/21 of R 74,219 paid in the prior period.

Correction of incorrect VAT claim R 17,505 in the prior period.

Municipal Health revenue recognised in current period relating to prior year of R 88,870.

Debtor and creditor raised for work not satisfactory completed by a service provider relating to prior year of R 5,512,757.

Statement of financial position

Receivables from exchange transactions

Payables from exchange transactions

- 5,512,757

- (5,512,757)

40. Accounting by principals and agents

40.1 Department of Roads and Transport

The municipality acts as an agent for the National Department of Roads and Transport during the implementation of the Rural Road Asset Management System grant project. The municipality receives a 5% agency fee for its services. The agency fees received and included in the total revenue transferred for the 2020/2021 financial year amounted to R 118,550.

Revenue transferred:

R 2,371,000 R 2,491,000

Expenditure incurred:

R 2,371,000 R 2,491,000

Refer to note 14.

40.2 Department of Water and Sanitation

The municipality acts as an agent for the Department of Water and Sanitation during the implementation of the Regional Bulk Infrastructure Grant (RBIG).

Reconciliation of agency transactions

Receipts and receivables (refer to note 4)

Opening balance

20,369,283 11,244,342

Total billed to principal

173,336,662 143,716,125

Total received from principal

(140,076,687) (125,150,324)

Retentions

(9,673,757) (9,440,860)

43,955,502 20,369,283

Payments and payables (refer to note 10)

M. M

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40. Accounting by principals and agents (continued)		
Opening balance	13,145,775	8,768,149
Total expenditure incurred	158,357,059	122,565,162
Total paid to suppliers and retention	(152,790,798)	(118,187,536)
	18,712,036	13,145,775

41. Segment reporting

General information

Identification of segments

The municipality is organised and reports to management on the basis of departmental segments. 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.

Segment surplus or deficit, assets and liabilities

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41. Segment reporting (continued)

2021

	Council	Office of the Municipal Manager	Finance & Supply Chain Management	Corporate Services	Technical Services	LED and Tourism	Municipal Health and Environmental Management	Social Services and Disaster Management	Entity Total
Revenue									
Revenue from non-exchange transactions	-	-	289,967,762	-	-	-	-	-	289,967,762
Revenue from exchange transactions	-	-	8,221,243	-	-	-	-	-	8,221,243
Total segment revenue	-	-	298,189,005	-	-	-	-	-	298,189,005
Expenses									
Salaries and wages	12,725,795	24,544,615	26,465,970	25,363,135	8,294,835	16,266,374	21,967,071	16,187,820	151,815,615
Council remuneration	16,264,201	-	-	-	-	-	-	-	16,264,201
Operational expenditure	4,518,520	1,163,303	61,016,327	17,638,932	365,243	5,071,386	4,230,972	6,499,743	100,505,426
Provision for impairment	-	-	6,099,343	-	-	-	-	-	6,099,343
Loss on disposal of assets	-	-	256,969	-	-	-	-	-	256,969
Gain on fair value adjustments	-	-	(174,364)	-	-	-	-	-	(174,364)
Actuarial gain	-	-	(1,035,000)	-	-	-	-	-	(1,035,000)
Total segment expenditure	33,508,516	25,707,918	92,629,245	43,003,067	8,660,078	21,337,760	26,198,043	22,687,563	273,732,190
Total segmental surplus/(deficit)	-33,508,516	-25,707,918	205,559,760	-43,003,067	-8,660,078	-21,337,760	-26,198,043	-22,687,563	24,456,815
Assets									
Segment assets	1,178,299	940,108	5,688,167	185,052,970	417,832	403,469	2,992,640	2,409,336	199,082,821
Investments									85,668,506
Inventories									9,306,318
Receivables from exchange transactions									49,907,055
VAT receivable									11,600,570
Cash and cash equivalents									742,372

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

41. Segment reporting (continued)

Total assets as per Statement of financial Position

Finance leases	182,329
Payables from exchange transactions	66,766,709
Provisions	41,330,867
Long term loans	115,482,848
Total liabilities as per Statement of financial Position	223,762,753

Accumulated Surplus

132,544,889

356,307,542

2020

Revenue	
Revenue from non-exchange transactions	-
Revenue from exchange transactions	-
Total segment revenue	-

Expenses

Salaries and wages	12,688,903	20,814,121	20,363,151	21,914,188	7,539,431	19,919,687	20,175,489	15,438,892	138,853,862
Council remuneration	16,421,849	-	-	-	-	-	-	-	16,421,849
Operational expenditure	7,318,023	1,566,791	77,582,147	19,184,728	263,054	3,548,591	2,383,914	17,981,650	129,848,898
Provision for impairment	-	-	-	701,473	-	-	-	-	701,473
Loss on disposal of assets	-	-	-	118,830	-	-	-	-	118,830
Loss on fair value adjustments	-	-	-	1,026,950	-	-	-	-	1,026,950
Actuarial gain	-	-	-	(8,008,000)	-	-	-	-	(8,008,000)
Total segment expenditure	36,428,775	22,380,912	91,784,551	41,098,916	7,822,485	23,468,278	22,559,403	33,420,542	278,963,862
Total segmental surplus/(deficit)	-36,428,775	-22,380,912	181,892,913	-41,098,916	-7,822,486	-23,468,278	-22,559,403	-33,420,542	(5,286,396)

Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

41. Segment reporting (continued)

Assets									
Segment assets	1,580,575	929,987	6,043,906	190,868,018	460,425	458,754	1,363,278	3,197,777	204,902,721
Investments									83,545,975
Inventories									5,138,915
Receivables from exchange transactions									28,109,457
VAT receivables									6,346,965
Cash and cash equivalents									6,362,551
Total assets as per Statement of financial Position									334,406,584
Liabilities									
Finance leases									693,533
Payables from exchange transactions									63,754,850
Provisions									38,524,100
Long term loans									123,340,649
Total liabilities as per Statement of financial Position									226,313,132
Accumulated Surplus									108,093,452

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Ehlanzeni District Municipality
Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

41. Segment reporting (continued)

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

The municipality's operations are in the Ehlanzeni District of the Mpumalanga province.

Audited
By

2021-12-14

Auditor General South Africa
Mpumalanga Business Unit

N.M

Appendix A

Schedule of external loans as at 30 June 2021

Balance at 30 June 2020	Received during the period	Redeemed / written off during the period	Balance at 30 June 2021	Carrying Value of Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
Rand	Rand	Rand	Rand	Rand	Rand
123,340,649	-	7,857,801	115,482,848	179,845,783	-
123,340,649	-	7,857,801	115,482,848	179,845,783	-
123,340,649	-	7,857,801	115,482,848	179,845,783	-
123,340,649	-	7,857,801	115,482,848	179,845,783	-

Development Bank of
Southern Africa

DBSA - 61000886
Maturity date: 31/12/2029
Interest calculated at
11.12%

Total external loans

Development Bank of
Southern Africa

Appendix B

Analysis of property, plant and equipment as at 30 June 2021 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Prior period adjustments Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Land and buildings												
Land	8,103,054	-	-	-	8,103,054	-	-	-	-	-	-	8,103,054
Buildings	234,923,728	-	-	-	234,923,728	(55,435,350)	-	-	-	(5,566,385)	(61,001,775)	173,921,953
	243,026,782	-	-	-	243,026,782	(55,435,350)	-	-	-	(5,566,385)	(61,001,775)	182,025,007
Other assets												
Plant & equipment	734,183	45,870	-	-	780,053	(405,448)	-	-	-	(83,490)	(488,938)	291,225
Furniture & fittings	12,358,918	264,020	(47,381)	751	12,576,328	(10,064,992)	41,234	(656)	-	(506,173)	(10,742,497)	1,831,837
Computer equipment	32,476,529	2,523,185	(1,163,541)	(751)	33,809,422	(23,371,162)	1,058,713	656	-	(3,054,965)	(25,366,748)	6,442,574
Motor vehicles	6,822,025	869,288	-	-	7,691,313	(4,895,494)	-	-	-	(537,939)	(5,433,403)	2,157,910
	52,383,565	3,702,463	(1,210,922)	-	54,875,106	(36,756,908)	1,099,947	-	-	(4,434,627)	(42,091,586)	12,783,520
Total property plant and equipment Intangible assets	296,410,447	3,702,463	(1,210,922)	-	297,899,984	(94,192,296)	1,099,947	-	-	(10,001,012)	(103,093,361)	194,786,533
Computer software	15,664,396	1,796,476	(657,059)	-	16,803,773	(11,979,826)	521,271	-	-	(1,051,630)	(12,509,585)	4,294,188
	15,664,396	1,796,476	(657,059)	-	16,803,773	(11,979,826)	521,271	-	-	(1,051,630)	(12,509,585)	4,294,188

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2021 Accumulated Depreciation

Cost/Revaluation

	Opening Balance		Additions		Disposals		Transfers		Closing Balance		Opening Balance		Disposals		Transfers		Prior period adjustments		Depreciation		Closing Balance		Carrying value	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Municipality																								
Chief Whip	148,993	17,008	-	-	-	-	-	-	165,993	-	(126,576)	-	-	-	-	-	-	-	(9,259)	(134,835)	79,510,101	31,158	185,052,976	31,158
Corporate Services	254,344,321	872,147	-	-	-	-	(253,397)	-	255,563,071	-	(84,076,333)	-	-	-	185,275	-	-	-	(6,619,073)	(22,647,533)	22,647,533	2,159,377	185,052,976	2,159,377
Disaster management	25,435,271	95,461	-	-	-	-	(726,802)	-	24,806,930	-	(22,549,115)	-	-	-	525,302	-	-	-	(723,742)	(11,894,875)	11,894,875	657,358	2,159,377	657,358
Executive Mayor	2,945,528	32,603	-	-	-	-	(25,897)	-	2,652,234	-	(1,772,438)	-	-	-	36,239	-	-	-	(258,706)	(1,874,871)	1,874,871	5,698,167	5,698,167	5,698,167
Finance and SCM	15,921,839	1,566,737	-	-	(1,878,482)	-	1,445,192	-	16,775,286	1,611,985	(9,877,933)	1,611,985	-	-	3,952	-	-	-	(15,781)	(15,860)	15,860	35,820	5,698,167	5,698,167
Internal Audit	199,480	-	-	-	-	-	(4,000)	-	194,480	-	(145,831)	-	-	-	3,952	-	-	-	(15,781)	(15,860)	15,860	35,820	5,698,167	5,698,167
LED and Tourism	1,424,944	63,536	-	-	-	-	(76,814)	-	1,431,666	-	(998,392)	-	-	-	70,243	-	-	-	(154,615)	(1,082,732)	1,082,732	348,934	5,698,167	5,698,167
Municipal Health	3,466,171	2,198,619	-	-	-	-	23,929	-	5,678,719	-	(2,102,892)	-	-	-	(9,154)	-	-	-	(574,833)	(2,686,079)	2,686,079	2,992,640	5,698,167	5,698,167
Municipal Manager	2,801,326	321,009	-	-	(5,539)	-	17,436	-	3,130,232	9,234	(1,922,997)	9,234	-	-	1,826	-	-	-	(313,816)	(2,235,944)	2,235,944	904,288	5,698,167	5,698,167
Rural Development	181,590	41,069	-	-	-	-	18,016	-	240,634	-	(148,421)	-	-	-	-	-	-	-	(31,156)	(186,159)	186,159	54,535	5,698,167	5,698,167
Social and Transversal Issues	771,552	25,900	-	-	-	-	72,236	-	869,748	-	(463,033)	-	-	-	(76,528)	-	-	-	(80,268)	(159,839)	159,839	249,889	5,698,167	5,698,167
Speaker	1,693,265	56,807	-	-	-	-	(38,948)	-	1,711,124	-	(1,008,228)	-	-	-	8,726	-	-	-	(201,860)	(1,221,342)	1,221,342	469,782	5,698,167	5,698,167
Technical Services	1,438,466	378,608	-	-	-	-	(150,951)	-	1,465,123	-	(978,039)	-	-	-	116,148	-	-	-	(185,860)	(1,047,721)	1,047,721	417,802	5,698,167	5,698,167
	311,074,846	5,498,945	-	-	(1,888,021)	-	-	-	314,685,770	1,621,219	(106,172,122)	1,621,219	-	-	(4)	-	-	-	(11,052,042)	(115,502,949)	115,502,949	199,082,821	5,698,167	5,698,167

Appendix D

Segmental Statement of Financial Performance for the year ended 30 June 2021

Current Year			Prior Year		
Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality					
-	4,875,723	(4,875,723)	-	5,803,975	(5,803,975)
-	4,254,631	(4,254,631)	-	2,801,443	(2,801,443)
-	17,983,317	(17,983,317)	-	20,057,704	(20,057,704)
-	9,323,203	(9,323,203)	-	9,252,180	(9,252,180)
-	22,123,403	(22,123,403)	-	19,253,691	(19,253,691)
298,189,005	92,629,245	205,559,760	273,677,464	91,784,554	181,892,910
-	43,003,067	(43,003,067)	-	41,098,915	(41,098,915)
-	8,660,077	(8,660,077)	-	7,822,485	(7,822,485)
-	26,198,043	(26,198,043)	-	22,559,404	(22,559,404)
-	1,326,273	(1,326,273)	-	1,314,915	(1,314,915)
-	3,584,515	(3,584,515)	-	3,127,221	(3,127,221)
-	9,919,234	(9,919,234)	-	3,391,481	(3,391,481)
-	17,083,129	(17,083,129)	-	20,666,834	(20,666,834)
-	12,768,330	(12,768,330)	-	30,029,060	(30,029,060)
298,189,005	273,732,190	24,456,815	273,677,464	278,963,862	(5,286,398)

Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2021

	Current year 2020 Act. Bal.	Current year 2020 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Operational income	825,956	1,208,684	(382,728)	(31.7)	Refer to note 38
Rental of facilities and equipment	403,535	360,000	43,535	12.1	Refer to note 38
Interest received	6,854,208	10,500,000	(3,645,792)	(34.7)	Refer to note 38
Dividends received	137,544	140,000	(2,456)	(1.8)	
Government grants & subsidies	289,838,212	289,675,536	162,676	0.1	
Fines and penalties	100,000	-	100,000	-	
Donations in kind	29,550	-	29,550	-	
	298,189,005	301,884,220	(3,695,215)	(1.2)	
Expenses					
Employee related cost	(150,269,267)	(151,995,226)	1,725,959	(1.1)	
Remuneration of councillors	(16,368,868)	(17,861,222)	1,492,354	(8.4)	
Audit fees	(3,233,793)	(3,234,500)	707	-	
Depreciation and amortisation	(11,052,043)	(11,052,698)	655	-	
Provision for bad debts	(6,099,343)	(6,138,085)	38,742	(0.6)	
Finance costs	(17,132,877)	(17,144,848)	11,771	(0.1)	
Repairs and maintenance	(2,059,871)	(2,208,993)	149,122	(6.8)	
Contracted services	(1,416,090)	(1,416,960)	870	(0.1)	
Grants and subsidies paid	(8,827,028)	-	(8,827,028)	-	
Operational expenses	(58,225,405)	(74,111,324)	15,885,919	(21.4)	Refer to note 38
	(274,684,585)	(285,163,656)	10,479,071	(3.7)	
Other revenue and costs					
Loss on disposal of assets	(256,969)	-	(256,969)	-	Refer to note 38
Gain on fair value adjustments	174,364	-	174,364	-	Refer to note 38
Actuarial gain	1,035,000	-	1,035,000	-	Refer to note 38
	952,395	-	952,395	-	
Net surplus/ (deficit) for the year	24,456,815	16,720,564	7,736,251	46.3	

Appendix E(2)

Budget Analysis of Capital Expenditure as at 30 June 2021

	Additions	Revised Budget	Variance	Variance	Explanation of significant variances from budget
	Rand	Rand	Rand	%	
Municipality					
Chief Whip	17,000	17,000	-	-	
Corporate Services	872,147	880,000	7,853	1	
Disaster Management	95,461	100,000	4,539	5	
Executive Mayor	32,603	35,000	2,397	7	
Finance & SCM	1,586,738	2,305,764	719,026	31	Refer to note 38
Internal Audit	-	-	-	-	
LED & Tourism	83,536	90,000	6,464	7	
Municipal Health	2,188,619	3,000,000	811,381	27	Refer to note 38
Municipal Manager	321,009	350,000	28,991	8	
Planning Department	-	-	-	-	
Rural Development	41,088	45,000	3,912	9	
Social & Transversal Issues	25,900	26,000	100	-	
Speaker	56,807	60,000	3,193	6	
Technical Services	178,037	180,000	1,963	1	
Mayoral Committee	-	-	-	-	
	5,498,945	7,088,764	1,589,819	22	

