



EHLANZENI  
DISTRICT MUNICIPALITY

# ANNUAL REPORT 2023/2024



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## 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
GV & 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

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

# 1. EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



## 1.1. EXECUTIVE MAYOR'S FOREWORD AND AN EXECUTIVE SUMMARY

It is with pleasure that I am afforded an opportunity on behalf of the Ehlanzeni District Municipality, key and valued stakeholders, to present this Annual Report which has been compiled in line with Circular 63 of the Local Government of the Municipal Finance Management Act (MFMA). Indeed, the financial year 2023/24 has been a remarkable period of achievements and service delivery. This has been followed by the general elections on the 29<sup>th</sup> May 2024 where people and communities went to the polls to decide the nature and kind of the government, they wish to have in governing the country. The Government of National Unity (GNU) has since been established and embraced three national priorities which are in alignment with the priorities outlined in the National Development Plan. The district has for the above period implemented an IDP that is aligned to the objectives of the Provincial Growth and Development Strategy.

The three priorities as endorsed by the GNU are as outlined below:

- (i) To drive inclusive growth and job creation;
- (ii) to reduce poverty and tackle the high cost of living; and
- (iii) to build a capable, ethical and developmental state.

During this period, there were changes in the political administration of the district municipality where in the Executive Mayor, Cllr Jesta Sidell was re-assigned or re-deployed to the Provincial Legislature and that led to the Mayoral Committee to be dissolved. The Acting Mayor, Cllr M Shongwe was appointed as the Acting Executive Mayor until the position was filled. These changes however did not affect the functionality and stability of the municipality's operations.

The municipality continues to be committed to the aspirations of Circular No.63 of the Local Government (LG) Municipal Finance Management Act, Act 56 of 2003 that requires that a municipality and the municipality's entity must prepare Annual Performance Report which must form part of the Annual report for each financial year in accordance with section 46 of the LG Municipal Systems Act, Act 32 of 2000. This report must make provision for the following objects: Provide a record of activities of the municipality or entity during the financial year to which the report relates, provide a performance report regarding service delivery and budget implementation for the Financial Year and further to provide accountability to the led communities for decisions made throughout the financial year.

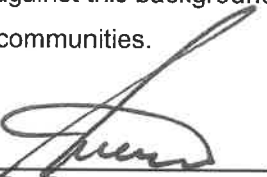
The municipality has continued to drill solar powered boreholes to ensure water supply to all communities during and post elections since 2024 by using the acceleration plan championed by both the province and the three district municipalities. We are committed to the goals of the National Development Plans and the District One Plan (DDM) that embraces and promotes intergovernmental planning and execution and monitoring. The district municipality has made and registered significant strides in the implementation of the District Development Model and to substantiate the progress, several projects to date have been completed and operationalised.

These operational projects include, the Mkhuhlu Agrihub, Karino and Elandshoek Bridges interchanges, Hoxane Regional Bulk Water Scheme, Sibange Regional Bulk Water Scheme, and Karino Bulk Water Scheme.

Other completed projects includes the Mpumalanga Fresh Produce Market which has been recently operationalised. It is believed that in the near future, the Mkhuhlu Agrihub will be feeding its produce to this international Market. The municipality is also committed in supporting matric and learners from destitute families by offering them bursaries for different study fields through the Mayoral Bursary fund. This programme has assisted 6 students for the year under review.

We are therefore calling upon all our valued stakeholders and partners to continuously participate in the quarterly convened meetings for our functional workstreams, DDM Technical and Council meetings.

It is against this background that I present this 2023/24 Annual Report to you, our valued stakeholders and communities.



**CILLI EIT SHABANGU**  
**EXECUTIVE MAYOR**

## 1.2 Municipal Manager's Foreword

It is an honour for me to present the 2023/24 annual report to all our stakeholders and partners. This is the time to reflect on the previous financial year performance, achievements and challenges encountered during the above said period. We would also like to extend a word of gratitude to all stakeholders who have worked tirelessly to provide support on the delivery of services. It is indeed heart warming to be part of Ehlanzeni District Municipality.

We continue to conform to our vibrant vision which is "*A district municipality that provides impactful service delivery to its communities.*" Ehlanzeni District Municipality has continued with the attainment of the clean audit (Unqualified Audit with no Matters of emphasis) for the financial year 2023/24. We are now prioritizing the required support to the local municipalities as per the District Municipal Support Intervention Plan (MSIP) and hopefully some of the municipalities will be inspired to strive towards the clean audit governance. In the period under review, the district has managed to achieve 92% performance on the Key Performance Indicators which is much higher than the achievement in 2022/23 financial year. The total number of key performance indicators was 53 (fifty-three), of which the Municipality underperformed on 4 (four). This implies that 92% of indicators were on track and were fully implemented.

The district has also provided support programmes to the vulnerable groups like disability sector, women and youth through capacity building and intervention programmes directly responding to the needs and bringing integrity and dignity of these sectors. Further, the district has continued to support local municipalities with the recruitment of Section 56 Managers and have strengthened the relationship with the Traditional Leaders on matters of Imimemo, development and their critical role in preservation and protection of our vibrant cultures and heritage. The local municipalities were assisted with the implementation of the individual performance management systems, policies and frameworks that guides, ensures efficiency and adequate service delivery.

Other programmes implemented which benefitted the locals and communities include amongst others, the rural household support and small-scale farmers support (mentorship). These programmes have been very substantial to improve the livelihood of the rural communities with ensuring that there are small gardens for the neighbourhoods.

It is against this background that I present to you, this final Annual Report for financial year 2023/24.



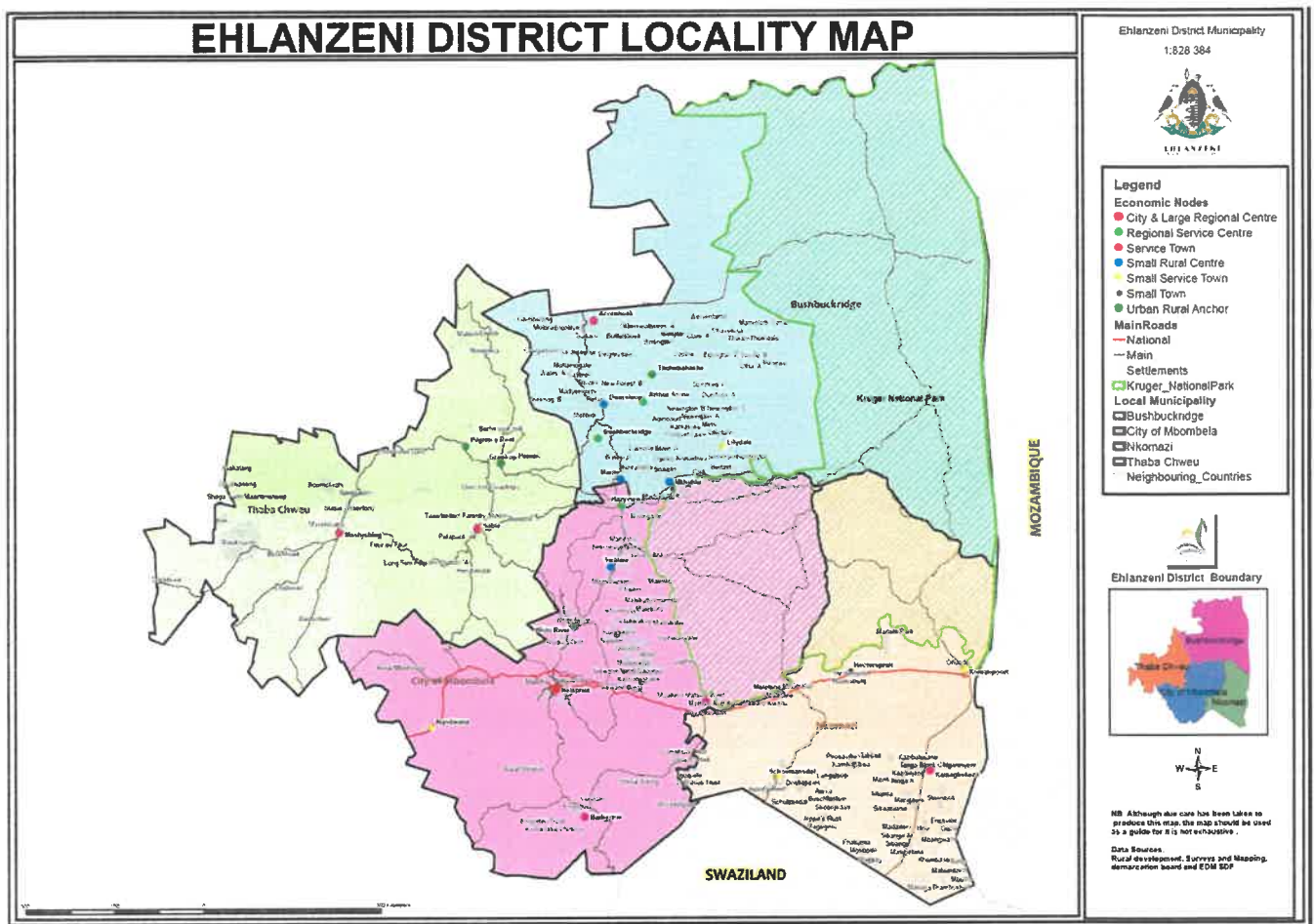
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**DR NP MAHLALELA**  
**MUNICIPAL MANAGER**

### 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 per Local Municipality**

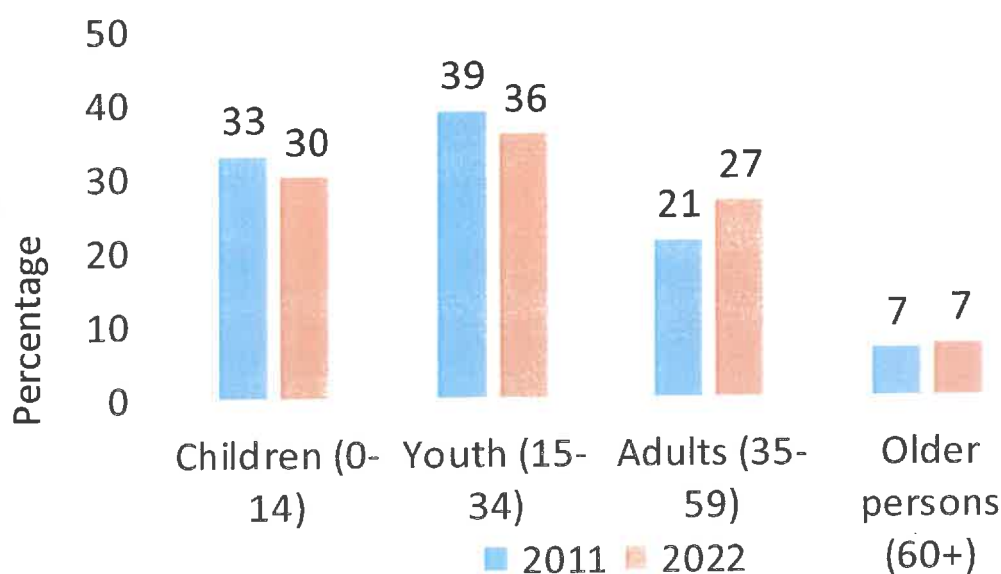
Local Municipal Area	Population number		Average annual population growth 2011-2022
	2011	2022	
Thaba Chweu	98 387	109 223	1.0%
Nkomazi	393 030	591 928	4.0%
Bushbuckridge	538 593	750 821	3.2%
City of Mbombela	658 604	818 925	2.1%

Source: STATSSA Census 2022

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 (36%) 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 by Age Group**



Source: STATSSA Census 2011 & 2022

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 2023/2024 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**

In 2022, the contribution to the Mpumalanga economy was 36.8% – 2<sup>nd</sup> largest/smallest contribution among the three districts. Ehlanzeni made dominant contributions to Mpumalanga's community services, finance, trade, construction, & transport industries & made significant contributions to agriculture & utilities. Over the period 1996 to 2022, the economic growth rate for Ehlanzeni was 2.5% p.a., however, it declined to a stagnant 0.0% p.a. between 2019 & 2022. The Ehlanzeni economy expanded by 0.7% in 2019, contracted by 1.4% in 2022 & is expected to expand by 1.3% in 2023. The estimated average annual GDP growth between 2023 & 2027 for Ehlanzeni is 1.2% p.a. In 2022, the size of the economy was estimated at R178.1 billion in current prices & R125.6 billion in constant 2015 prices. In 2022, the four largest industries (community services, finance, trade & manufacturing) contributed 80.3% to the economy of Ehlanzeni. Ehlanzeni holds comparative advantages in agriculture, utilities, construction, trade (including tourism) & community services. In 2019, tourism spend totaled R15.5 billion or equal to 9.8% of the district's GDP in current prices. By 2022, it declined to R13.3 billion, which was equal to 7.5% of the district's GDP in current prices. This demonstrates the importance of the tourism industry as economic and job driver.

## 1.5 UNEMPLOYMENT STATUS

The official unemployment rate of Ehlanzeni deteriorated from 32.9% in 2019 to 37.8% in 2022. The expanded unemployment rate deteriorated from 41.5% to 49.6% over the same period. In 2022, Ehlanzeni's official unemployment rate was the 2<sup>nd</sup> highest/lowest & the expanded unemployment rate was the highest/worst among the districts. In 2022, the official unemployment rate for females was 41.7% & that of males 34.0%. In 2022, the official youth (15-34 years) unemployment rate was 53.3% - highest/worst of the three districts. There is concern about the high share of unemployed youth & especially females – there appears to be a mismatch between their offering of education and skills (or lack thereof) and the demand of the labour market, but also a lack of investment to create jobs.

**Table 2: Unemployment rate**

District & Local municipal areas	Strict unemployment rate			Expanded unemployment rate		
	2019	2022	Trend	2019	2022	Trend
Thaba Chweu	23.4%	30.2%		28.8%	37.5%	
Nkomazi	32.0%	36.4%		42.7%	50.9%	
Bushbuckridge	50.2%	53.2%		59.4%	65.2%	
City of Mbombela	25.9%	31.8%		32.7%	41.5%	
<b>Ehlanzeni</b>	<b>32.9%</b>	<b>37.8%</b>		<b>41.5%</b>	<b>49.6%</b>	

Source: *SERO Report 2024*

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.

## 2.GOVERNANCE

### COMPONENT A: GOVERNANCE STRUCTURES

#### POLITICAL GOVERNANCE STRUCTURE

The District Municipality have 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 2023/24

NAME AND SURNAME	FULL TIME COUNCILLORS
J Sidell	Executive Mayor (Resigned 13 June 2024)
RM Shongwe	Acting Executive Mayor (Appointed 26 June 2024)
RE Khumalo	Speaker
JS Siwela	Chief Whip
PT Selowe	MMC for Economic Planning and Development (Until 13 June 2024)
PA Mathe	MMC for Technical Services (Until 13 June 2024)
RM Shongwe	MMC for Community Services (Until 13 June 2024)
ET Mabuza	MMC for Financial Services (Until 13 June 2024)
M Chembeni-Sahi	MMC for Financial Services (Passed away 29 September 2023)
EIT Shabangu	MMC for Strategic Services (Until 13 June 2024)
PM Manana	MMC for Social Services (Appointed 29 November 2023 until 13 June 2024)
LC Shakwane	MMC for Disaster Management (Until 13 June 2024)
S Mashigo-Sekgobela	MMC for Corporate Services (Until 13 June 2024)

#### ● COUNCIL MEETINGS

The district Council held 4 Ordinary Council meetings and 10 Special Council meetings, the Council reports were debated and concluded. The details of the meetings of Council held from 1 July 2023 to 31 June 2024 is as follows:

Meeting	Date	Venue
Special Council meeting	27 / 07/ 2023	Council Chamber
Special Council meeting	29/ 08/ 2024	Council Chamber
Ordinary Council meeting	27/ 09/ 2023	Council Chamber
Special Council meeting	13/ 10/ 2023	Virtual
Special Council meeting	30/ 10/ 2023	Virtual
Ordinary Council meeting	30/ 11 /2023	Council Chamber
Special Council meeting	30/ 01 2024	Virtual
Special Council meeting	27/ 02/2024	Virtual
Special Council meeting	26/ 03/ 2024	Council Chamber
Ordinary Council meeting	26/ 03/ 2024	Council Chamber
Special Council meeting	24/ 04/ 2024	Virtual
Special Council meeting	15/ 05/ 2024	Council Chamber
Ordinary Council meeting	26/ 06/ 2024	Council Chamber
Special Council meeting	26/ 06/ 2024	Council Chamber

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

**1. ETHICS COMMITTEE**

- Speaker: Cllr RE Khumalo (ANC)
- Cllr. GS Siwela (ANC)
- Cllr. PP Chima (ANC)
- Cllr. H Malomane (ANC)
- Cllr. JH Lighthelm (DA)
- Cllr. R Qhibi (EFF)
- Cllr. M Van Der Westhuizen (VFP)
- Cllr. E Mathebula (ISANCO)

**2. PORTFOLIO COMMITTEE FOR ECONOMIC PLANNING AND DEVELOPMENT**

- Cllr. PT Selowe (Chairperson)
- Cllr. CM Mokoni (ANC)
- Cllr. C Sebamba (ANC)
- Cllr. S Sithole (ANC)
- Cllr. D Ngobeni (ANC)
- Cllr. P Minnaar (DA)
- Cllr. E Mathebula (ISANCO)
- Cllr. B Sifunda (EFF)

**3. PORTFOLIO COMMITTEE FOR DISASTER MANAGEMENT**

- Cllr. L Shakwane (Chairperson)
- Cllr. NM Maganga (ANC)
- Cllr. TE Mahlalela (ANC)
- Cllr. HE Sihlabela (ANC)
- Cllr. K Nukeri (ANC)
- Cllr. KP Robertson (VFP)
- Cllr. JH Lighthelm (DA)
- Cllr. S Thobela (EFF)

**4. PORTFOLIO COMMITTEE FOR CORPORATE SERVICES**

- Cllr. S Mashigo-Sekgobela (Chairperson)
- Cllr. SJ Manana (ANC)
- Cllr. TE Ngomane (ANC)
- Cllr. LP Ngomane (ANC)
- Cllr. AM Mathebula (ANC)
- Cllr. S Chauke (EFF)
- Cllr. S Couvaras (DA)
- Cllr. ML Monareng (ISANCO)

**5. PORTFOLIO COMMITTEE FOR FINANCIAL SERVICES**

- Cllr. ET Mabuza (Chairperson)
- Cllr. PP Chima (ANC)
- Cllr. NC Khoza (ANC)
- Cllr. IS Mashaba (ANC)
- Cllr. EE Mabunda (ANC)

- Cllr. M Van Der Westhuizen (VFP)
- Cllr. V Gwebu (EFF)
- Cllr. MS Preddy (DA)

## **6. PORTFOLIO FOR TECHNICAL SERVICES**

- Cllr. P Mathe (Chairperson)
- Cllr. RB Mhlaba (ANC)
- Cllr. HK Malomane (ANC)
- Cllr. IS Mashava (ANC)
- Cllr. SO Makhubela (ANC)
- Cllr. ML Monareng (ISANCO)
- Cllr. SR Schormann (DA)
- Cllr. S Nkuna (EFF)

## **7. PORTFOLIO COMMITTEE FOR SOCIAL SERVICES**

- Cllr P Manana (Chairperson)
- Cllr. CM Mohlala (ANC)
- Cllr. RS Shabangu (ANC)
- Cllr. EE Mabunda (ANC)
- Cllr. ND Ndlovu (EFF)
- Cllr. M Westhuizen Van Der M (VFP)
- Cllr. N Mathobela N (DA)
- Cllr. HP Thobakgale (BLM)

## **8. PORTFOLIO COMMITTEE FOR STRATEGIC SERVICES**

- Cllr. EIT Shabangu (Chairperson)
- Cllr. TB Sibuyi (ANC)
- Cllr. HE Sihlabela (ANC)
- Cllr. NC Khoza (ANC)
- Cllr. EE Mabunda (ANC)
- Cllr. R Qhibi (EFF)
- Cllr. SR Schormann (DA)

## **9. PORTFOLIO COMMITTEE FOR COMMUNITY SERVICES**

- Cllr. RM Shongwe (Chairperson)
- Cllr. ZA Mdhuli (ANC)
- Cllr. TB Sibuyi (ANC)
- Cllr. LF Nkosi (ANC)
- Cllr. KP Robertson (VFP) (Resigned from Committee)
- Cllr. MS Preddy (DA)
- Cllr. R Nkomo (EFF)
- Cllr. E Mathebula (ISANCO)

## 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 Work Streams which are aligned to the District Development Model and assist as working groups that feed into the District Wide IDP Process Plan. They are as follows: the Good Governance and Administration Work Stream, the Economic Growth and Job Creation Work Stream and the Social Needs Work Stream. All these clusters are chaired or at some stages, co-chaired by the political heads of the respective departments.

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

NO.	STRUCTURE	COMPOSITION	SCHEDULE OF MEETINGS
	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 the Chairperson might invite to add value to the meeting by way of making a presentation or providing expert opinion on a particular matter.	2 Meetings planned <ul style="list-style-type: none"> <li>• 29/09/2023</li> <li>• 21/11/2023</li> </ul>
2.	Speakers' Forum	The District Speaker chairs the structure. It is attended by all Council Speakers in the District and any other person who might add value to the meeting.	2 Meetings per planned <ul style="list-style-type: none"> <li>• 28/11/2023</li> <li>• 19/04/2024</li> </ul> <p>Only one meeting managed to sit.</p>
3.	IDP Representative Forum	The District Mayor chairs the structure. It is a broad stakeholder consultative Forum including all the spheres of Government, Private Sector and NGOs.	2 Meetings planned <ul style="list-style-type: none"> <li>• 17/11/2023</li> <li>• 02/04/2024</li> </ul>

No.	STRUCTURE	COMPOSITION	SCHEDULE OF MEETINGS
4.	Municipal Managers Forum	The District Municipal Manager chairs the structure. It is attended by all Municipal Managers, and by any other Stakeholder who the Chairperson might invite to add value by way of making a presentation or providing expert opinion on a particular matter. The structure also serves as a technical structure that exists before the Executive Mayors' Forum and deliberates on issues before being submitted to the Executive Mayors Forum.	<p>2 meetings planned</p> <ul style="list-style-type: none"> <li>08/08/2024</li> <li>24/10/2024</li> </ul> <p>All two meetings managed to sit</p>
5.	Governance and Administration Work Stream	The structure is chaired by the MMCs responsible for Corporate Services. 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.	<p>3 planned meetings</p> <ul style="list-style-type: none"> <li>25/07/2023</li> <li>28/11/2022</li> <li>20/02/2024</li> </ul> <p>All three meetings managed to sit.</p>
6.	Social Needs Work Stream	The structure is chaired by the MMC responsible for Social Services. All Sector Departments, Salga, NGO's Local Municipalities and other relevant stakeholders identified by the unit responsible for social matters form part of the Social Needs Cluster.	<p>3 meetings planned</p> <ul style="list-style-type: none"> <li>11/10/2023</li> <li>22/02/2024</li> <li>06/06/2024</li> </ul> <p>All three meetings managed to sit.</p>
7.	Economic Growth and Job Creation Work Stream	The structure is chaired by the MMCs responsible for LED and Infrastructure Development,  All Sector Department, Business and other relevant stakeholders identified by the unit form part of the cluster	<p>3 meetings planned</p> <ul style="list-style-type: none"> <li>20/09/2023</li> <li>29/11/2023</li> <li>20/03/2024</li> </ul> <p>All three meetings</p>

			managed to sit.
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## OTHER DISTRICT IGR STRUCTURES

Several Technical Structures within the District contribute to the overall effectiveness and implementation of the District Intergovernmental Relations) IGR Programmes. The technical meetings usually sit before the Political Forum meetings to lay the groundwork for informed discussions and to enhance the quality of engagement during the political meetings. This process allows administrators to deliberate and make input before the report is submitted to the political Leadership.

The following are the several technical structures:

- IDP Technical Forum
- Disaster Management Advisory Forum
- District Legal Advisory Forum
- District Occupational Health and Safety Forum
- District Public Participation Forum
- Basic Service Delivery and Infrastructure Work Stream
- Finance and ICT Work Stream
- Spatial Planning, Environmental and Disaster Management Work Stream
- District Communicators Forum

## THE CHALLENGES AFFECTING THE FUNCTIONALITY OF THE DISTRICT IGR STRUCTURES

On several occasions, our IGR structure meetings experience poor participation by various stakeholders. Due to the clashing of meetings between the three spheres of government, COGTA is expected to speed up the process of finalizing the Provincial IGR Framework which will guide the sitting of the IGR Structures and develop the Provincial IGR Calendar to avoid clashing of meetings that require the same stakeholders to attend.

## ADMINISTRATIVE GOVERNANCE

The District Municipality have 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 (as at 30 June 2024):

NAME AND SURNAME	POSITION
Dr NP Mahlalela	Municipal Manager
GN Zulu	Acting General Manager: Corporate Services
Dr ENM Mkhathswa	General Manager: Community Services
PO Mokoena	Chief Financial Officer
SS Madlopha	General Manager: Economic Planning and Development
ND Malokela	General Manager: Technical Services
SJ Tibane	General Manager: Strategic and Social 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, the following community participation programmes that formed part of the Outreach Programmes were held:

PROGRAMME	DATE
Speakers Outreach at Bushbuckridge Local Municipality	28 August 2023
Speakers Outreach at Nkomazi Local Municipality	16 October 2023
Speakers Outreach at City of Mbombela	23 March 2024
Speakers Outreach at Bushbuckridge Local Municipality	30 June 2024

### 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

Section 62(1)(c)(i) of the Municipal Finance Management Act (MFMA), 2003, requires the Accounting Officer to establish and maintain, among others, a system of managing the risks facing the municipality. Risk management is one of management's core responsibilities and an integral part of the municipality's internal processes. It is a systematic process used to identify, evaluate, and address risks on a continuous basis before they can negatively impact the municipality's service delivery capacity. When properly executed, risk management provides reasonable assurance that the municipality will achieve its goals and objectives.

The municipality has reviewed and approved its risk management strategy, which is the foundation for a continuous risk assessment process for managing and monitoring risks on an ongoing basis. On 19 & 20 April 2022, the municipality conducted its annual Enterprise-wide Risk Assessment (ERM) to determine the magnitude of risk exposures by assessing the likelihood of each risk materializing and the impact it would have on achieving objectives. The identified risks were prioritized to enable 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, authorizations, segregation of duties, reconciliations, and physical safeguards.

The following are the risks of the municipality, for which management mitigating controls were indicated in the IDP:

R E F  N o .	STRATEGIC OBJECTIVE	RISKS TO ACHIEVING STRATEGIC OBJECTIVE	CONTRIBUTING FACTORS	MITIGATING CONTROLS
S R  0 1	Improve District Integrated and coordinated Strategic Planning and Development	Non-alignment of planning processes with Local, Provincial and National government	<ol style="list-style-type: none"> <li>1. Inadequate consideration of municipal planning processes by National and Provincial government</li> <li>2. Lack of cooperation of, and participation of communities and traditional leaders in planning processes of government (relevant legislation)</li> <li>3. Constant changes in Legislation and Regulations (national state of disasters)</li> <li>4. Non-adherence to legislation</li> <li>5. Failure to consider the Integration Model with standard operating processes during the planning</li> </ol>	<ol style="list-style-type: none"> <li>1. Comply with relevant applicable legislation</li> <li>2. Established Inter-Governmental Relations (IGR) structures (including District Command COVID 19 Command Council and Centre) and DDM Council</li> <li>3. Effective public participation processes</li> <li>4. Adopted Integration Model with standard operating processes</li> <li>5. Implemented the project of clarification of, and alignment with, powers and functions (in consultation with GIZ)</li> <li>6. Outcomes-based planning capacity building</li> </ol>

			<p>process</p> <ol style="list-style-type: none"> <li>6. Revoked Powers and Functions of EDM</li> <li>7. Silo Planning within the institution and between the different spheres of government</li> <li>8. Non-compliance to Municipal Standard Charts of Account(mSCOA)</li> <li>9. Poor integrated planning and resource allocation through the budgeting process</li> <li>10. Non-responsive IDP</li> </ol>	<p>programme for EDM and Local Municipalities (based on DDM)</p> <ol style="list-style-type: none"> <li>7. Implementation of the District Development Model</li> <li>8. Rural Road Asset Management System</li> <li>9. Road Master Plan and Water and Sewer Master Plan</li> </ol>
<p><b>S</b> <b>R</b> <b>0</b> <b>2</b></p>	<p>Deliver Services and Implement Projects in Line with the Mandate of EDM</p>	<p>Failure to deliver impactful programmes, projects and services in line with the mandate</p>	<ol style="list-style-type: none"> <li>1. Inadequate organizational structure to address the mandate of EDM</li> <li>2. Inadequate budget</li> <li>3. Limitation of powers and functions in terms of providing bulk services, due to the re-assignment done by national and provincial government</li> <li>4. Allocation of budget to projects or programmes which are not part of the mandate</li> <li>5. Lack of buy-in from the traditional leaders to effectively implement Spatial Planning &amp; Land Use Management Act (SPLUMA)</li> <li>6. Poor project planning and management</li> <li>7. Inadequate measures to combat the effect of climate change</li> <li>8. Lack of enforcement of legislation</li> </ol>	<ol style="list-style-type: none"> <li>1. Repositioning of the organizational structure</li> <li>2. Engagements with provincial and national government on the powers and functions</li> <li>3. Monitoring and oversight processes in place and Quarterly review of OPM and IPM systems</li> <li>4. Approved policies and by-laws</li> <li>5. Project planning template developed for</li> <li>6. Capacity building of project managers</li> <li>7. Development of SOPs for infrastructure projects</li> <li>8. Enforce Service Level Agreements (SLA) between EDM and service providers</li> <li>9. Municipal Health Information System being implemented</li> </ol>

			<ul style="list-style-type: none"> <li>9. Withdrawal of equitable share for Municipal Health services by the National Department of Health</li> <li>10. Delays in project completion</li> <li>11. Increased disaster incidents</li> <li>12. Non-sustainable land use practices</li> </ul>	<ul style="list-style-type: none"> <li>10. Implementation of the District Tourism Recovery Plan</li> <li>11. Procurement plan system in place</li> </ul>
<b>S R 0 3</b>	Create a Conducive Environment for District Socio-Economic Development and Growth	Ineffective coordination of district socio-economic growth programmes	<ul style="list-style-type: none"> <li>1. Poor basic infrastructure to enhance socio-economic growth</li> <li>2. Socio-political instability</li> <li>3. Poor governance structures</li> <li>4. Non-alignment of socio-economic development programmes (Silo Operations)</li> <li>5. Withdrawal of foreign funding by developed countries</li> <li>6. Reduction of the economic sector activities due to the impact of pandemics and disasters on socio-economic growth</li> <li>7. Lack of trust by funders and failure to attract investors</li> <li>8. Stifled socio-economic growth</li> </ul>	<ul style="list-style-type: none"> <li>1. Economic growth and job creation workstream for stakeholders</li> <li>2. LED and Tourism Recovery plans developed and implemented to address issues of the pandemic</li> <li>3. Training of Small, Medium and Micro Enterprises (SMMEs/ co-operatives are conducted on an annual basis)</li> <li>4. Implement a Transversal framework with departments (mainstreaming)</li> <li>5. Developed a Database for Small, Medium and Micro Enterprises (SMMEs)</li> <li>6. MOUs with key stakeholders including Institutions of Higher Learning</li> <li>7. Approved strategies (e.g. SDF, GBVF)</li> </ul>
<b>S R 0 4</b>	Strengthen Intergovernmental Relations and Stakeholder Management	<p>Failure to strengthen intergovernmental relations, stakeholder management and communication</p> <p>Non-compliance to legislation</p>	<ul style="list-style-type: none"> <li>1. Lack of commitment and ownership by stakeholders to attend IGR structures</li> <li>2. Lack of provincial IGR Framework leading to fragmented provincial IGR planning and coordination</li> <li>3. Non-align-</li> </ul>	<ul style="list-style-type: none"> <li>1. IGR plan shared with all stakeholders</li> <li>2. Departments/ MM submit Reports to Council on the functionality of IGR workstreams</li> <li>3. Conducted IGR Indaba and Provincial IGR Framework established</li> <li>4. The location of de-</li> </ul>

			<p>ment/duplication and overlapping of terms of reference of IGR structures</p> <ol style="list-style-type: none"> <li>4. Inadequate communication between LMs and the District with regard to the integration of activities, as well as between internal departments</li> <li>5. Ineffective monitoring of all media communication platforms</li> <li>6. Unsecured municipal web page</li> <li>7. Inadequate utilization of tools of trade</li> <li>8. Failure to adhere to policies and procedures</li> </ol>	<p>partmental and unit meetings is rotated</p> <ol style="list-style-type: none"> <li>5. Review of the integration model to include the District Development Model</li> <li>6. Road shows conducted by the communication unit</li> <li>7. Distribution of the newsletters to stakeholders</li> <li>8. Getting contributions from departments</li> <li>9. An editorial team is in place to review the quality of the articles</li> <li>10. Upgraded the municipal website and is linked to social media</li> <li>11. Branding of events</li> <li>12. Appointed Departmental Champions to provide support to the communications programmes</li> <li>13. Departmental meetings</li> <li>14. Internet access and e-mails</li> <li>15. A website committee established</li> <li>16. Functional work streams</li> <li>17. Management of all media platforms to promote the institution</li> </ol>
<b>S R O S</b>	Manage Performance, Monitoring & Evaluation	Insufficient Monitoring and Evaluation of the Performance Management System	<ol style="list-style-type: none"> <li>1. Lack of alignment of workplans, job descriptions and the SDBIP</li> <li>2. Lack of consequence management for officials not adhering to the performance management system</li> <li>3. Lack of ownership of performance process by supervisors</li> <li>4. 4. Lack of technical skills of officials and</li> </ol>	<ol style="list-style-type: none"> <li>1. Ongoing training on the performance management systems</li> <li>2. Operational manuals in place</li> <li>3. Submission of quarterly reports</li> <li>4. Departmental review sessions are conducted on quarterly basis</li> <li>5. Unwillingness and late completion is reported quarterly to the Accounting Officer</li> </ol>

			<p>accessibility to use the QPR System</p> <ol style="list-style-type: none"> <li>5. Lack of understanding of Monitoring and Evaluation</li> <li>6. Inadequate Outcomes-based planning</li> <li>7. Monitoring of the implementation of remedial mechanisms not effective</li> <li>8. Lack of interface between IDP, budgeting and performance management system (SDBIP)</li> <li>9. Insufficient alignment between the OPMS and the IPMS</li> <li>10. Unwillingness and reluctance by officials to implement performance management processes</li> </ol>	<p>through the Performance Report</p> <ol style="list-style-type: none"> <li>6. Strengthened the IPMS by increasing human resource in terms of staff numbers</li> <li>7. Performance rewards being paid annually</li> <li>8. OPM Policy reviewed to include M&amp;E</li> <li>9. Training for Management, project managers and leadership on outcomes-based planning</li> <li>10. Developed TOR for the Strategic Planning Committee</li> <li>11. Outcomes-based capacity programme in the process of implementation</li> <li>12. Clear communication of timelines</li> <li>13. Performance review sessions and support</li> <li>14. High standard maintained by OPM unit</li> <li>15. Review and monitor information submitted on a quarterly basis</li> <li>16. Pre-audit of internal processes</li> <li>17. The principle of "no POE, no performance" implemented by Management</li> </ol>
<b>S R O 6</b>	Manage Organizational Risks and Improve Institutional Development	Failure to maintain corporate governance in the institution	<ol style="list-style-type: none"> <li>1. Lack of buy-in into risk management by all officials</li> <li>2. Resistance by management and officials to embracing institutional transformation and development</li> <li>3. Failure to respond to a change in legislation and policies</li> <li>4. High employee-related cost, which is above the norm, hinders the achievement of objectives of insti-</li> </ol>	<ol style="list-style-type: none"> <li>1. Awareness Workshops conducted annually</li> <li>2. Risk Management is a standing item at all management meetings</li> <li>3. Regular meetings of all governance structures</li> <li>4. Report non-submission of quarterly reports to Accounting Officer</li> <li>5. Approved Risk Management enabling documents</li> <li>6. Ensure that the LMs' Risk Management is at the same level as at</li> </ol>

			<p>tutional transformation</p> <p>5. Non-Adherence to the IPMS Policy</p>	<p>that of the District</p> <ol style="list-style-type: none"> <li>7. Chief Risk Officer being part of the GM's Forum</li> <li>8. Implement a Combined Assurance Plan</li> <li>9. Established a District Risk Management Forum</li> <li>10. Programme for young graduates (Sector-based skills development) to include a suitably trained person on Risk Management</li> <li>11. Implementation of IDP, budget and OPMS as per Council approval</li> <li>12. Training is implemented in accordance with PDPs and the budget</li> <li>13. IPMS Assessments are done by Supervisors on quarterly basis</li> <li>14. Proper engagement are conducted between supervisors and subordinates</li> <li>15. Timeous submission of PDPs</li> <li>16. Reform on ICT technology</li> <li>17. Reviewed Municipal vision, mission and strategic objectives</li> <li>18. Implementation of the risk- based audit plan</li> </ol>
R 0 7	Ensure Prudent Financial Management	Poor financial management	<ol style="list-style-type: none"> <li>1. Collusion by officials and service providers</li> <li>2. Non-compliance with legislation, policies and procedures</li> <li>3. Failure to prevent possible fraud, corruption, misappropriation, theft and loss of municipal assets.</li> <li>4. Poor project planning processes (not taking cost estimates into consideration) .</li> <li>5. Ineffective implementation of mSCOA .</li> </ol>	<ol style="list-style-type: none"> <li>1. Policies and Procedures are in place</li> <li>2. Asset Management Framework in place</li> <li>3. Effective and functional governance and oversight structures and implementation of the resolutions of such committees</li> <li>4. Code of Conduct (declaration of interest forms)</li> <li>5. Constant communication on fraud and corruption policies (fraud awareness)</li> </ol>

			<ul style="list-style-type: none"> <li>6. Unfunded mandates being implemented</li> <li>7. Constant changes in Treasury Regulations impacting negatively on procurement processes</li> <li>8. Litigations having an impact on financial viability and management</li> <li>9. Disasters and pandemics having an impact on the financial viability and management of EDM</li> <li>10. High employee-related costs impacting negatively on the financial viability of the Municipality</li> </ul>	<ul style="list-style-type: none"> <li>6. Financial and SCM delegations and Standard operating procedures in place</li> <li>7. Effective ICT Systems and control environment</li> <li>8. Procurement plan drafted and implemented</li> <li>9. Implementation and monitoring of Audit action plan (internal and external)</li> <li>10. Enforce consequence management through the Financial Misconduct Disciplinary Board</li> <li>11. Timeous reporting of UIF&amp;W to the Council</li> </ul>
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### **Risk Management and Fraud Prevention**

Ehlanzeni District Municipality (EDM) is committed to effective risk management and fraud prevention to achieve its goals and objectives and deliver quality services to the community.

### **Mitigating Control Activities**

Mitigating control activities are consistently monitored and adapted. Management provides periodic feedback and reports to the Risk Management & Fraud Prevention Committee, the Audit Committee, and the Council on risk management processes and new risk exposures.

## **Independent Risk Management & Fraud Prevention Committee Chairperson**

EDM has appointed an Independent Risk Management & Fraud Prevention Committee Chairperson with 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
- A thorough knowledge of risk management principles and their application

### **Compliance**

EDM is 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 2022-2023 financial year. It seeks to facilitate the detection and prevention of non-compliance with regulatory requirements and provides for processes and systems that facilitate the management of compliance risk and enhance regulatory compliance assurance.

### **Internal Audit Unit**

An Internal Audit Unit exists within EDM under the control and direction of an Audit Committee. The Unit compiles a risk-based audit plan and executes audits accordingly. The internal audit report covers matters relating to:

- Internal control
- Accounting procedures and practices
- Performance management
- Risk and risk management
- Compliance with applicable legislation
- Fraud and Anti-Corruption Strategy

EDM subscribes to the principles of good corporate governance, which require conducting business in an honest and transparent manner. Consequently, EDM is committed to fighting fraudulent behavior at all levels within the organization. The fraud and anti-corruption strategy is premised on the organization's core ethical values driving the business of EDM, the development of its systems, policies and procedures, interactions with the public and other stakeholders, and even decision-making by individual managers representing the organization.

EDM has a zero-tolerance policy towards fraud and corruption. During the financial year, EDM conducted a fraud and corruption risk assessment and implemented appropriate prevention and detection controls (mitigating action plans). These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies, and procedures of EDM.

All employees are responsible for immediately reporting 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.

EDM held workshops on fraud prevention and anti-corruption, and all employees were made aware of the fraud and anti-corruption policy and strategy.

Employees who wish to report allegations of fraud and corruption anonymously can contact the National Fraud Hotline (0800 701 701), the Municipal Manager, and/or the Internal Audit Unit directly.

EDM investigates all instances of fraud and corruption committed by employees or other individuals thoroughly and takes appropriate legal action, including:

- Disciplinary action against employees, as needed
- Civil action to recover losses
- Criminal prosecution
- Any other appropriate legal remedies

Managers are required to ensure that losses or damages suffered by EDM as a result of all reported acts committed or omitted by an employee, or any other person, are recovered from such an employee or other person if he or she is found to be liable for such losses.

The Risk Management Unit conducted fraudulent and corruption awareness by means of newsletters, information notices, and presentations.

EDM implemented policies, processes, and systems during the financial year to direct and control its activities in a manner that enhanced corporate governance and ensured that its business was conducted within acceptable ethical standards.

### **Transparency, Accountability, and Openness**

Transparency, accountability, and openness are embedded in EDM's reporting and disclosure of information, strategic, operational and financial, to all stakeholders.

Councilors' and employees' work is governed by the municipality's rules, regulations, procedures and Code of Conduct for Employees and Councilors, by which they are expected to abide. The Code of Conduct includes guidelines on gifts, professional and personal behavior, and conflicts of interest.

Segregation of duties exists within the departmental functions, and political office bearers are excluded from the procurement and tender processes.

### **Conclusion**

EDM is committed to effective risk management and fraud prevention to ensure that it can achieve its goals and deliver quality services to the community. By proactively identifying, assessing, and mitigating risks, EDM can minimize the impact of negative events and protect its resources. Additionally, by preventing and detecting fraud, EDM can maintain public trust and confidence in its operations.

### **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

The following are also 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.

### EDM WEBSITE (2023/2024)

Government Website plays an important role of explaining what council is doing in terms of life changing service delivery efficiencies as well as involving communities in decision making processes through different forums that have been instrumental in its democratic society. It has grown as a key way to provide access to government information and services right from the hands of the users.

This is in line with the global trend by governments to implement e-government strategies, using information and communication technologies (ICTs) to give audiences around the World access to information about their services. The rapid growth in online communication by the South African government provides both opportunities and challenges to those managing the online presence of government.

Guided by Chapter 4 of the Local Government: Municipal Systems Act, EDM has developed the website to promote a culture of municipal governance that complements formal representative government with a system of participatory governance and create conditions for the local communities to participate in the affairs of the municipality. It is therefore mandatory for government websites to provide a medium for two-way interaction between government and citizens.

EDM’s web address is: [www.ehlanzeni.gov.za](http://www.ehlanzeni.gov.za); where 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. 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:

<b>MONTHS</b>	<b>NUMBER OF VISITS</b>
JULY 2023	2356
AUGUST 2023	2155
SEPTEMBER 2023	2189
OCTOBER 2023	1885
NOVEMBER 2023	1545
DECEMBER 2023	1854
JANUARY 2024	2985
FEBRUARY 2024	2389
MARCH 2024	2205
APRIL 2024	2152
MAY 2024	2485
JUNE 2024	2258

#### **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 (Chairperson) (Resigned 13 June 2024)
- Cllr. RN Mphika (ANC)
- Cllr. MJ Mnisi (ANC)
- Cllr. MJ Morema (ANC)
- Cllr. D Masilela (ANC)
- Cllr. CK Chuene (DA)
- Cllr. B Mgiba (EFF)
- Cllr. F Mbhandze (APC)

The MPAC structure is fully functional. A number of activities which include site visits and meetings during the 2023/2024 financial year have been carried out as follows:

Meeting	Date
Ordinary meeting	11 July 2023
Special meeting	27 July 2023
Special meeting	8 August 2023
Ordinary meeting	4 October 2023
Ordinary meeting	21 January 2024
Special meeting	13 March 2024
Ordinary meeting	3 April 2024
Special meeting	8 May 2024

#### AUDIT COMMITTEE

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

- V Mabilane
- S Lubisi
- PN Makukule
- JN Mpjane
- R Maboe

## **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 organization 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 organizational 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 Organizational or Strategic performance report.

The detailed information on the performance of the Municipality on the organizational 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.

Expenditure on projects, some of which were not included in the Organizational layer of the report, are reflected per table in section 7 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

The following annexures are included in the report:

Annexure A provides a comparison of the performance for FY2022/23 and FY2023/24

Annexure B details the general indicators to be reflected in the Annual Report in terms of the Local Government: Municipal Planning and Performance Management Regulations (No 796, 24 August 2001)

### **1. Introduction**

#### **1.1. 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 organization 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 organization, as well as that of the stakeholders of the organization, on the strategy and specifically the implementation thereof.

## 1.2. Vision and Mission

The *vision* of Ehlanzeni District Municipality is to be: –

“A District Municipality that provides impactful service delivery to its communities”.

The *mission* of the Municipality is as follows: –

“Ehlanzeni shall be the socio-economic centre of co-ordination, development planning and sustainable delivery of services”.

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 FY 2023 - 2024

The strategic plan in local government is called the municipal Integrated Development Plan (IDP). The budgetary process is the provision of resources for the implementation of the strategy (IDP), whilst the Service Delivery and Budget Implementation Plan (SDBIP) is the implementation plan of the IDP. The alignment between the municipal IDP, the Budget, the SDBIP and the Performance Management System is critical to ensure strategic alignment within the municipality. The signing of the Performance Agreements by the Municipal Manager and the Section 56 Managers constitutes a process of linking reward(s) to the achievement 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 financial year 2023/2024 was approved by the Council under item A43/2023, during a Council meeting held on 25 May 2023.

### 2.2. District Strategic Priorities

The strategic priorities of the district are based on the reviewed Integrated Development Plan. 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**

<b>Strategic Objective</b>	<b>District Priority or Programme</b>	<b>Key Performance Area</b>
SO 1 - Improve District Integrated & Coordinated Strategic Planning and Development	Integrated Development Planning	Public Participation and Good Governance
SO 2 - Deliver Services and Implement Projects In Line with The Mandate of EDM	Service Delivery and Project Implementation	Service delivery and infrastructure development
SO 3 - Create a Conducive Environment for District Socio-Economic Development and Growth	District Socio Economic Development & Growth	Local Economic Development
SO 4 - Strengthen Inter-governmental Relations and Stakeholder Management	IGR & Stakeholder Management	Public Participation and Good Governance
SO 5 - Manage Performance, Monitoring & Evaluation	Organizational Performance Management System Individual Performance Management System Monitoring and Evaluation	Institutional Development and Transformation
SO 6 - Manage Organizational Risks and Improve Institutional Development	Risk Management and Institutional Development	Institutional Development and Transformation
SO 7 - 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 A44/2023 during a special meeting of Council held on 25 May 2023.

**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 Organization. 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 Organization were focused on achieving the Organizational 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 financial year 2023 / 2024 was compiled to guide the implementation of projects and the spending of funds and has been signed off by the Executive Mayor on 22 June 2023.

## 2.6. Adjustment Budget

In view of the Mid Term Performance Review, an Adjustment Budget was approved by Council under item A11/2024 during the meeting held on 27 February 2024.

## 2.7. SDBIP Review

The SDBIP was adjusted to align with the changes in terms of the implementation plan of the strategy and the adjusted budget. The adjusted SDBIP was approved by council under item A24/2024 during the meeting held on 26 March 2024

## 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 regarding Basic Services, which includes water, sanitation, electricity, roads and stormwater 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 for 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 by: –

- (a) ensuring integrated development planning for the district.
- (b) promoting bulk infrastructural development and services for the district.
- (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.

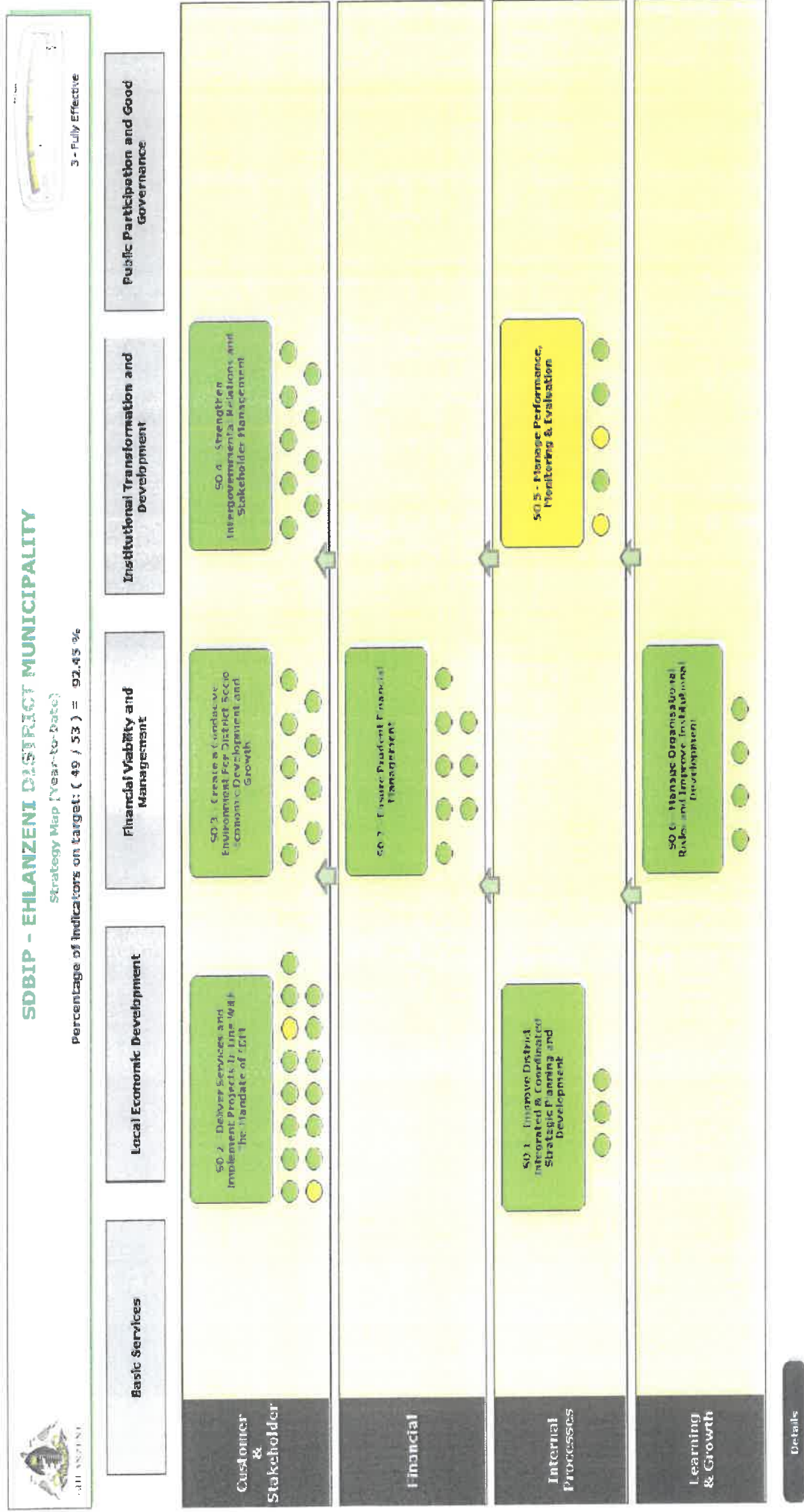
Based on the legislative imperatives of the district, specific goals and outcomes were derived (as specified in Table 2) which form part of its broader strategy of ensuring that the mandate stipulated in Section 83 (3) of the Municipal Structures Act is achieved.

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

<b>GOAL</b>	<b>STRATEGIC OBJECTIVE</b>	<b>KEY PERFORMANCE AREA</b>
Ensuring integrated development planning for the district as a whole	SO 1 - Improve District Integrated & Coordinated Strategic Planning and Development	Public Participation and Good Governance
Promoting sustainable livelihoods through social-economic development and service	SO 2 - Deliver Services and Implement Projects in Line With The Mandate of EDM	Service delivery and infrastructure development
Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking	SO 3 - Create a Conducive Environment for District Socio Economic Development and Growth	Local Economic Development
	SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management	Public Participation and Good Governance
	SO 5 - Manage Performance, Monitoring & Evaluation	Institutional Development and Transformation
Building a modern and performance driven municipality	SO 6 - Manage Organizational Risks and Improve Institutional Development	Institutional Development and Transformation
	SO 7 - Ensure Prudent Financial Management	Implementation of Financial Management

4. Performance Summary (Strategy Map) for the FY 2023 - 2024

Figure 3: Strategy Map



## 5. Performance Results for FY2023 - 2024

A summary of the performance of the Municipality in terms of the targets set for 2023 - 2024 is provided in Table 3 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 the FY2023 - 2024

STRATEGIC OBJECTIVE: SO 1 - Improve District Integrated & Coordinated Strategic Planning and Development							3 - Fully Effective	
KEY PERFORMANCE AREA: Public Participation and Good Governance								
PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Integrated Development Planning	Approval of the reviewed IDP for 2024/25 FY by a specific date	The final reviewed IDP FY2023/24 was approved by council on 25 May 2023 under council resolution A43/2023.	Approval of the Reviewed IDP for 2024/25 FY by 31 May 2024	The final reviewed IDP FY2024/25 was approved by Council on 15 May 2024, under council resolution no A36/2024	3 - Fully Effective	None	None	Table 6 Page 59
Integrated Development Planning	Number of Basic Infrastructure Business Plans developed by a specific date	New KPI	5 Basic Infrastructure Business Plans developed by 30 June 2024	6 Basic Infrastructure business plans were developed by 30 June 2024. 1. The Lydenburg Water treatment plant technical report completed on 25 October 2023, 2. Construction of Matsulu water reticulation network design report completed on 10 November 2023, 3. The construction of roads in Mashishing township business plan completed on 7 December 2023, 4. Sip Sop settlement Water supply technical report completed on 23 May 2024, 5. Graskop water supply system refurbishment report completed on 10 June 2024 and 6. Nyongane construction of internal streets and culvert bridge completed on 13 May 2024.	3 - Fully Effective	A request for an additional report to be compiled for TCLM	None	Table 7 Page 60
Integrated Development Planning	Completion of the Situational Analysis Report for EDM LAB Accreditation by a specific date	New KPI	Situational Analysis Report for EDM LAB Accreditation completed by 30 June 2024	The situational Analysis Report for EDM LAB Accreditation was completed on 21 June 2024.	3 - Fully Effective	None	None	Table 8 Page 61

**KEY PERFORMANCE AREA: Service delivery and infrastructure development**

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Service Delivery and Project Implementation	Completion of Purchase & Handover of water quality testing equipment by a specific date	New KPI	Purchase and handover of water quality testing equipment by 30 June 2024	The Purchase and handover of water quality testing equipment for Thaba Chweu Local Municipality was completed on 27 March 2024.	3 - Fully Effective	None	None	Table 9 Page 62
Service Delivery and Project Implementation	Completion of the Supply & Delivery of Materials & Small Plant to LMs for patching for patching potholes by a specific date	New KPI	Supply & Delivery of Materials & Small Plant to LMs for patching potholes completed by 30 June 2024	The Supply and Delivery of Materials and Small Plant to LMs for patching potholes was completed on 25 June 2024	3 - Fully Effective	None	None	Table 10 Page 63
Service Delivery and Project Implementation	Completion of the Purchase & Handover of Materials for refurbishment of high mast lights in Nkomazi by a specific date	New KPI	Purchase and Handover of materials for refurbishment of high mast lights in Nkomazi completed by 30 June 2024	The Purchase and Handover of materials for refurbishment of high mast lights in Nkomazi Local Municipality was completed on 19 October 2023.	3 - Fully Effective	None	None	Table 11 Page 64
Service Delivery and Project Implementation	% of WWTW construction work completed by a specific date - Civil Works (Lydenburg WWTW-2A)	New KPI	20% of WWTW construction work completed by 30 June 2024	30% construction work for the construction of the WWTW Phase 2A Civil Works completed by 30 June 2024	3 - Fully Effective	Contractor performed better than anticipated	None	Table 12 Page 64
Service Delivery and Project Implementation	Number of Disaster Risk Management and Public Safety awareness campaigns held	4/4 Disaster Management awareness campaigns were held in 2022/23 FY	4 Disaster Risk Management and Public Safety awareness campaigns held by 30 June 2024	5 Disaster Risk Management and Public Safety awareness campaigns were held: At Matibidi Primary school on 27 September 2023, in Thaba-Chweu LM, at John Mdluli primary school on 25 October 2023 in CoMLM, at Mkhuhlu sports ground on 07 December 2023 in Bushbuckridge LM, at Tonga Block B in Nkomazi LM on 28 March 2024 and at Cyril Clarke secondary school and John Mdluli primary school at Mataffin town-	3 - Fully Effective	A need was identified to conduct an additional awareness due to the area being prone to disaster risks such as domestic fires occurring	None	Table 13 Page 65

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Service Delivery and Project Implementation	Number of Microbiological & Chemical samples analyzed	480/400 Microbiological samples and 40/20 Chemical samples analyzed during the 2022/23 FY	400 Microbiological & 20 Chemical samples analyzed by 30 June 2024	531 microbiological samples and 29 chemical samples were analyzed by 30 June 2024	3 - Fully Effective	Over and above performance was due to analyzing ad hoc samples that were brought in for query case investigation.	None	Table 14 Page 66
Service Delivery and Project Implementation	Number of Inspections on Accommodation Establishments conducted	91/68 Inspections on Accommodation Establishments were conducted during the 2022/23 FY	40 Inspections conducted on Accommodation Establishments by 30 June 2024	68 Inspections on Accommodation Establishments were conducted by 30 June 2024	3 - Fully Effective	28 additional Accommodation Establishments were conducted in response to new applications.	None	Table 15 Page 67
Service Delivery and Project Implementation	Number of Inspections on School Facilities conducted	110/83 Inspections on School Facilities were conducted during the 2022/23 FY	60 Inspections conducted on School Facilities by 30 June 2024	146 Inspections on school facilities were conducted by 30 June 2024	3 - Fully Effective	86 More inspections were conducted as a result of responding to applications from the Department of Basic Education.	None	Table 16 Page 67
Service Delivery and Project Implementation	Number of Inspections on Clinic Facilities conducted	68/63 Inspections on Clinic Facilities were conducted during the 2022/23 FY	40 Inspections conducted on Clinic Facilities by 30 June 2024	48 Inspections on Clinic facilities were conducted by 30 June 2024	3 - Fully Effective	8 more Clinic facilities inspections were conducted due to response to complaints.	None	Table 17 Page 68
Service Delivery and Project Implementation	Number of Inspections on Hospital Facilities conducted	28/23 Inspections on Hospital Facilities were conducted during the 2022/23 FY	20 Inspections conducted on Hospital Facilities by 30 June 2024	25 Inspections on Hospital Facilities inspections were conducted by 30 June 2024	3 - Fully Effective	5 More Hospital facilities inspections were conducted due to response to complaints.	None	Table 18 Page 69
Service Delivery and Project Implementation	Number of Inspections on Food Premises conducted	665/477 Inspections on Food Premises were conducted during the 2022/23 FY	400 Inspections conducted on Food premises by 30 June 2024	650 Inspections on food premises were conducted by 30 June 2024	3 - Fully Effective	250 additional food premises inspections were conducted due to response to new applications and complaints	None	Table 19 Page 69
Service Delivery and Project Implementation	Number of Inspections on Funeral Undertaker Facilities conducted	109/107 Inspections on Funeral Undertaker Facilities were conducted during the 2022/23 FY	80 Inspections conducted on Funeral Undertaker Facilities by 30 June 2024	95 Inspections on funeral undertaker's facilities were conducted by 30 June 2024	3 - Fully Effective	15 more inspections were conducted in response to new applications and complaints.	None	Table 20 Page 70

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Service Delivery and Project Implementation	Number of Illegal Dumping Sites Cleared and Rehabilitated and Working tools for waste collectors delivered by a specific date	New KPI	3 illegal dumping sites cleared and rehabilitated and working tools for waste collectors delivered by 30 June 2024	2 illegal dumping sites were cleared and 1 site was rehabilitated in June 2024 at Nkomazi Local Municipality. Working tools (10 Waste Tricycles) for waste recyclers were delivered to all Local Municipalities on 10 April 2024 at EDM.	2 - Not Fully Effective	The SDBIP was not adjusted in line with the change of scope of the project	To ensure that any changes in the scope of projects being implemented be taken into consideration during the adjustment of the SDBIP	Table 21 Page 71
Service Delivery and Project Implementation	Purchase and delivery of skip bins for two Local Municipalities	New KPI	Purchase and delivery of skip bins for 2 Local Municipalities completed by 30 June 2024	The Purchase and delivery of skip bins for 3 local municipalities (TCLM, BLM and COMLM) was completed by 30 June 2024	3 - Fully Effective	The City of Mbombela was later prioritised for the skip bins due to the District Development Model which prioritizes the rebuilding of Barber-ton.	None	Table 22 Page 72
Service Delivery and Project Implementation	Number of Technical Services Projects Completed	2/5 Technical Services Projects were completed during 2022/23 FY	18 Technical Services projects completed by 30 June 2024	13 out of 18 technical projects were implemented as planned.  1) RRAMS 1592 kms visual assessment were conducted and 4 Progress Reports were submitted to DoT  2) Wastewater Treatment Improvement programme (Thaba Chweu, Graskop) 1 WWTW in Graskop was refurbished by 14 December 2023  3) Upgrade Municipal Building (EDM) The upgrade for EDM municipal building was not completed. Progress by 30 June 2024 was at 74%	2 - Not Fully Effective	Conductive weather conditions during the first and second quarter allowed for more kms to be assessed.  None	None	Table 23 Page 73-76
Service Delivery and Project Implementation	Extension of time was granted. A roll-over to be applied for, for completion of the project in the FY2024/25.							

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
				<p>4) Voting Stations installed with Basic Services Infrastructure 17 Voting stations were installed with Basic Service Infrastructure by 28 May 2024</p> <p>5) Resealing and Repair of Potholes on Barber-ton Tourism Routes Phase 2 Designs for the rehabilitation of roads in Bar-ber-ton was completed on 14 March 2024</p> <p>6) Drilling of 1 New Solar Boreholes at Aniva New stands Drilling of 1 Solar Bore-hole in Aniva New Stand was completed on 5 December 2023</p> <p>7) Installation of New High Mast Lights (CoMLM) 2 High mast lights were installed in Khumbula by 12 March 2024</p> <p>8) New Borehole at Portia Shabangu (Tekwane South) The installation of 2 Jojo Tanks and a water disin-fection system for a borehole at Portia Sha-bangu (Tekwane South) was completed on 28 May 2024 and handed over on 4 June 2024</p> <p>9) Refurbishment and upgrading of the Lyden-burg WWTW - Phase 1B (Upgrading) - RBIG &amp; WSIG</p>		None	None	
						None	None	
						None	None	
						None	None	
						None	None	
						None	None	
						The contractor was not performing on site due to cash-flow problems and community work stoppages	Monitor progress and manage the project according to GCC. A roll-over to be applied for, for completion of	

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL	
				<p>The refurbishment of the WWTW in Lydenburg was not complete. Overall progress was 47% by 30 June 2024.</p> <p>10) Borehole installation programme</p> <p>2 New Solar boreholes were installed in Bushbuckridge (Welverdiend and Andover) by 13 November 23</p> <p>11) Drilling and equipping of 2 boreholes at Lihawu</p> <p>The 2 Boreholes at Lihawu were drilled but not equipped.</p>			None	None	
				<p>12) Drilling of 2 New Solar Borehole at Jeppes Reef 2 New sections Zone 12</p> <p>2 Solar boreholes were drilled in Jeppes Reef in Nkomazi Local Municipality on 19 February 2024.</p>		None	None		
				<p>13) Riverside &amp; Marren Alley Booster Pump</p> <p>Contractor appointed on 25 April 2024. Project implementation was in progress as at 30 June 2024.</p>		<p>The first contractor - appointed on 21 December 2023 surrendered the project back to the Municipality on 08 March 2024, due to under-pricing.</p>	<p>A condition to be included in the Procurement Policy to address a possible financial risk of under-quoting. A roll-over to be applied for, for completion of the project in the FY2024/25.</p>		
				<p>14) Road rehabilitation in TCLM - Roll Over</p> <p>Two roads were rehabilitated in TCLM (Lyden-</p>		None	None		

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL	
				<p>burg), Kerk Street and Lydenburg street on 3 May 2024.</p> <p>15) WWTW – Sabie The refurbishment of the WWTW in Sabie was practically completed by 18 June 2024</p> <p>16) Boreholes in Bushbuckridge Local Municipality - Roll Over 3 New Boreholes were installed and commissioned by 29 September 2023 in Bushbuckridge (New Line, Huntington and Chere)</p> <p>17) Driekoppies Regional Water Scheme Phase 1A - Roll Over The upgrade of existing 20Ml/d plant to a 30Ml/d plant of a 10 Ml/d module was not completed. Retender document &amp; request for funding submitted to DWS for approval to proceed (letter dated 26 June 2024)</p> <p>18) Drilling of 2 Boreholes at Block C - Manyaleti and Ka-Mhlushwa - Roll Over Two (2) boreholes at KaMhlushwa and Block C Manyaleti were completed and handed over to Nkomazi LM on 31 August 2023.</p>			<p>None</p> <p>Existing boreholes could not be refurbished because of collapsed sides and falling of existing equipment.</p> <p>Extensive litigation process between EDM and the contractor. The contractor cancelled the contractual agreement on 08 April 2024.</p> <p>None</p>	<p>None</p> <p>Strict adherence to the GCC in managing project. A roll-over to be applied for, for completion of the project in the FY2024/25.</p> <p>None</p>	

KEY PERFORMANCE AREA: Local Economic Development

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
District Socio Economic Development & Growth	Number of Work opportunities created through the EDM Sector-based Skills Development Programme and Parks Cleaning Programme	157/120 Work opportunities created through the EDM Sector-based Skills Development Programme during 2022/23 FY	150 Work opportunities created through the EDM Sector-based Skills Development Programme and Parks Cleaning Programme by 30 June 2024	184 Work opportunities were created through the EDM Sector-based Skills Development (138) and Parks Cleaning Programme (46) by 30 June 2024.	3 - Fully Effective	The additional job opportunities are due to resignations and appointment of replacement workers.	None	Table 24 Page 77
District Socio Economic Development & Growth	Number of Emerging & Start-up Businesses/Cooperatives benefiting from mentorship programme	6/6 SMMEs/Co-operatives benefitted from training and mentorship programme during the 2022/23 FY	6 Emerging & Start-up Businesses/Cooperatives benefiting from mentorship programme by 30 June 2024	6 Emerging & Start-up Businesses/Cooperatives benefited from the mentorship programme by 30 June 2024. 1. Tanisa Nolutha Keagan Greenhouse Technology, 2. Africa hope, 3. Kgaogelo ya bo mme, 4. Elnomvu Clothing Cooperative. 5. Versatile Nikosi & Mama Trade as Quench and 6. Mandlulela Group-Manufacturing	3 - Fully Effective	None	None	Table 25 Page 78
District Socio Economic Development & Growth	Number of small scale farmers supported by means of a structured support programme	2/2 Small scale farmers were supported by means of a structured support programme during the 2022/23 FY	3 Small Scale Farmers supported by means of a structured support programme by 30 June 2024	4 Small Scale Farmers were supported by means of a structured support programme by 30 June 2024. 1. Zu Mash farming, 2. WG & CP Farming 3. Ngunwane Cooperative and 4. Mwayi Primary Cooperative	3 - Fully Effective	Support to Zu-Mash was discontinued at the end of the third quarter due to challenges on poor performance as well as the lease issues on the farm. A fourth beneficiary was identified and included in the programme	None	Table 26 Page 79
District Socio Economic Development & Growth	Number of Households supported in terms of food production in Bushbuckridge LM and City of Mbombela LM (Training/Purchase of tools of trade/Monitoring)	200/200 Households were supported in terms of food production and Rainwater Harvesting during the 2022/23 FY	200 Households in Bushbuckridge LM & City of Mbombela LM supported (Training/Purchase of tools of trade/Monitoring) in terms of food production by 30 June 2024	200 Households in Bushbuckridge LM & City of Mbombela LM were supported (Training/Purchase of tools of trade/Monitoring) in terms of food production by 30 June 2024	3 - Fully Effective	None	None	Table 27 Page 80

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
District Socio Economic Development & Growth	Number of Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards	14/20 Guesthouses were supported with grading requirements during the 2022/23 FY	10 Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards by 30 June 2024	11 Guesthouses were supported on grading requirements, Marketing, Skills Development, HR and Service Standards by 30 June 2024. Guest houses as follows: 1. Xhirandziwa M. 2. The Village Lodge, 3. Mzsingitane Tented Camp, 4. Masana Boutique Hotel, 5. Meropa Lodge, 6. Ekhaya Guest House, 7. Mt. Aloe Den. The following were supported internally: 8. Gosheni hospitality group, 9. Sagwadi Hotel, 10. Asante Guest House and 11. Riverside Kala	3 - Fully Effective	Prior to the appointment of the service provider, support was provided to guesthouses identified in previous financial year.	None	Table 28 Page 81
District Socio Economic Development & Growth	Number of Trade & Investment promotion events participated in for promotion and marketing of the district	New KPI	2 Trade & Investment promotion events participated in for promotion and marketing of the district by 30 June 2024	2 Trade & Investment promotion events were participated in for promotion and marketing of the district by 30 June 2024. Camping and Caravan Show from 23 to 25 February 2024 and World Travel Market from 10 to 13 April 2024.	3 - Fully Effective	None	None	Table 29 Page 82
District Socio Economic Development & Growth	Number of LTO/RTO/SOE supported with tourism development & promotion.	3/5 LTO/RTO supported with tourism development & promotion during the 2022/23 FY	5 LTO/RTO/SOE supported with tourism development & promotion by 30 June 2024	5 LTO / RTO / SOE were supported with tourism development & promotion. (i) Kruger Lowveld Chamber of Business and Tourism (KLCBT) RTO, (ii) Mpumalanga Tourism and Parks Agency (MTPA), (iii) Marloth Park LTO, (iv) Hazyview information centre and (v) Hazyview chamber of business	3 - Fully Effective	None	None	Table 30 Page 83
District Socio Economic Development & Growth	Finalisation of awarding bursaries for 2024 to students by the Bursary Committee by a specific date	The awarding of bursaries to students for 2022 was finalised by the bursary committee on 9 March 2022	Bursaries to students for 2024 finalised & awarded by the Bursary Committee by 30 June 2024	Bursaries to qualifying students for 2024 were finalized and awarded by the Bursary Committee on 13 February 2024.	3 - Fully Effective	None	None	Table 31 Page 84

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
District Socio Economic Development & Growth	Number of Transversal Projects implemented	23 Transversal Projects implemented during the 2022/23 FY	17 Transversal Projects implemented by 30 June 2024	17 Transversal projects were implemented by 30 June 2024	<p>3 - Fully Effective</p>	None	None	Table 32 Page 85-87
				<p>1. Back to School Mayoral Outreach programme</p> <p>1 Mayoral Back to School outreach project was held through distribution of school uniforms on 5 February 2024 at Khulong Primary School and 7 February 2024 at Vandama Primary School in Bushbuckridge Local Municipality</p>				
				<p>2. Disability Programme</p> <p>1 Disability Outreach project was held on 18-20 December 2023 during which wheelchairs and assistive devices were distributed to persons with disabilities in Bushbuckridge and Thaba Chweu Local Municipalities.</p>				
				<p>3. Senior Citizens Mayoral Outreach programme</p> <p>1 Mayoral Senior Citizens Outreach Project was implemented on 27 November 2023, at Driekopies, in Nkomazi Local Municipality</p>				
				<p>4. GBVF Programme</p> <p>2 GBVF Projects were implemented. GBVF awareness campaign on 20 September 2023 in collaboration with University of Mpumalanga and the GBVF seminar on 30 November 2023, at Msogwaba Community Hall, City of Mbombela Local Municipality, in partnership with the De-</p>				

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
				<p>partment of Social Services and Grace Counseling Support Center.</p> <p>5. Youth programme 1 Youth project was implemented; a Food Safety and Hygiene training on 9 May 2024, at the Disaster Management Centre.</p> <p>6. Mandela Day programme 1 Mandela Day project was implemented in collaboration with the Department of Education, the event was held on 18 July 2023, in Mahushu in the City of Mbombela Local Municipality</p> <p>7. Jamboree The Jamboree was held on 3 May 2024, at ward 12 Cairn site, in the City of Mbombela Local Municipality</p> <p>8. Elderly Programme 1 Elderly Project was implemented on 4 December 2023, at Sifundlela, in the City of Mbombela Local Municipality</p> <p>9. Disability Outreach programme 1 Mayoral Disability Awards event was held on 25 June 2024, at the DMC.</p> <p>10. Women Empowerment Programme 3 Women Empowerment Projects were implemented: (i) Young Women in Business event held on 30 August 2023, at Ehlanzeni District Municipality, (ii) Women's Day Celebration which was held on 16 August 2023, at Nutting</p>		None	None	

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
				House lodge, and (iii) a Women's Capacity Building Programme on 27 March 2024 at Alliance Church, at Ka-Msogwaba, in the City of Mbombela LM				
				11. Positive Living programme 1 Positive living convention was implemented on 7 May 2024, at Thaba Chweu Local Municipality		None	None	
				12. Children Programme 3 Children Rights Projects were implemented: 1. Early Childhood Development Training on 22 and 23 August 2023, at Dantjie, 2. Workshop for Champions for Children on 26 and 27 October 2023, at Good hope Centre, Mataffin and 3. Take a child to work day held on 12 June 2024 at Cyril Clark High School Mataffin. All projects were implemented in the City of Mbombela LM.		None	None	

KEY PERFORMANCE AREA: Public Participation and Good Governance

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
IGR & Stakeholder Management	Number of Chief Whip Outreach Projects held	New KPI	4 Chief Whip Outreach Project implemented by 30 June 2024	4 Chief Whip Outreach projects were held: On 05 October 2023 at KaNyamazane Stadium in CoMLM, 15 November 2023 at Ntunda Open Ground in Nkomazi Local Municipality, 05 March 2024 in Bushbuckridge Local Municipality at Agincourt Open ground and 25 April 2024 at Shabalala Open Ground in the City of Mbombela LM.	3 - Fully Effective	None	None	Table 33 Page 88
IGR & Stakeholder Management	Number of meetings held by the IDP Representative Forum	2/2 Meetings held by the IDP Representative Forum during the 2022/23 FY	2 Meetings held by the IDP Representative Forum by 30 June 2024	2 IDP & Budget Representative Forum meetings were held on 21 November 2023 and 02 May 2024, via the virtual Platform	3 - Fully Effective	A resolution was taken to combine the meetings of the IDP Representative forum and the DDM Council (Scheduled for 21 November 2023) due to the similarity in stakeholders and content of Agendas	None	Table 34 Page 89
IGR & Stakeholder Management	Number of DDM Council meetings held	4/4 DDM Council Meetings held during the 2022/23 FY	4 DDM Council meetings held by 30 June 2024	4 DDM Council meetings were held; on 29 September 2023, on 21 November 2023, 29 February 2024 and on 20 March 2024, via the virtual platform.	3 - Fully Effective	A resolution was taken to combine the meetings of the IDP Representative forum and the DDM Council (Scheduled for 21 November 2023) due to the similarity in stakeholders and content of Agendas	None	Table 35 Page 90
IGR & Stakeholder Management	Number of DDM Technical Meetings Held	4/4 DDM Technical Meetings held during the 2022/23 FY	4 DDM Technical meetings held by 30 June 2024	4 DDM Technical meetings were held on 06 September 2023, on 14 November 2023, on 14 February 2024 and on 13 June 2024 via the virtual platform.	3 - Fully Effective	None	None	Table 36 Page 91

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
IGR & Stakeholder Management	Final & Approved Annual Report printed & sent to relevant offices (2022/23 FY Annual Report)	The Final Annual Report was approved on 29 March 2023 Council resolution no. A28/2023 and distributed to relevant offices on 5 April 2023.	Final & Approved Annual Report printed & distributed by 30 April 2024 (2022/23 FY Annual Report)	The final and approved annual report (Council Resolution no B4/2024) was printed and distributed to the relevant offices by 30 April 2024.	3 - Fully Effective	None	None	Table 37 Page 92
IGR & Stakeholder Management	Number of Siya Deliver Manje newspapers published	12/6 Articles featuring EDM were publicised during FY2022/23	4 Siya Deliver Manje newspapers were published by 30 June 2024	4 Siya Deliver Manje newspapers were published by 30 June 2024	3 - Fully Effective	None	None	Table 38 Page 93
IGR & Stakeholder Management	Number of Media Awareness Campaigns held	12/12 Media Awareness Campaigns/Events/programmes publicised through radio slots during the 2022/23 FY	12 Media Awareness Campaigns held through any media platform by 30 June 2024	12 Media Awareness Campaigns were held : (1) Oversight visit on Land Reform and Agriculture by the Deputy President on 4 July 2023, (2) Young women in business at EDM Disaster Management Centre on 30 Aug 2023, (3) Guesthouse Support Program Oversight visit by LED Portfolio Committee on 24 August 2023, (4) MPAC Public hearing on 14 November 2023, (5)GIS Awareness Session on 22 November 2023, (6) Chief Whips Outreach Programme on 5 December 2023, (7)Handover solar borehole on 19 March 2024, (8)Uniform handover at Khulong Primary School on 5 February 2024, (9)Food Safety Joint operation on 26 March 2024, (10)Speakers Outreach on 26 April 2024, (11) GBVF March, and Awareness Campaign on 28 May 2024 and (12) World Environmental Day on 13 June 2024	3 - Fully Effective	None	None	Table 39 Page 94-95
IGR & Stakeholder Management	Number of Speaker's Outreach projects held	4/4 Speaker's Outreach projects held during the 2021/22 FY	4 Speaker's Outreach Projects held by 30 June 2024	4 Speakers Outreach programmes were held: On 14 September 2023 at Bufelspruit Open Ground in Nkomazi LM, on 08 No-	3 - Fully Effective	None	None	Table 40 Page 96

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
				<p>ember 2023 at Zola Open Ground in Bushbuckridge LM, on 22 February 2024 in the City of Mbombela LM at Bhuga Open Ground and 26 April 2024 at Leroro Open Ground in TCLM</p> <p>2 Mayoral Imbizos were held; on 10 November 2023, at Tekwane South and on 17 May 2024 at Ward 4 Speianyane in the City of Mbombela Local Municipality.</p>	<p>3 - Fully Effective</p>	None	None	Table 41 Page 97
IGR & Stakeholder Management	Number of Mayoral Imbizo's held	New KPI	2 Mayoral Imbizo's held by 30 June 2024		<p>3 - Fully Effective</p>	None	None	Table 41 Page 97

**STRATEGIC OBJECTIVE: SO 5 - Manage Performance, Monitoring & Evaluation**

2 - Not Fully Effective

**KEY PERFORMANCE AREA: Institutional Development and Transformation**

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Organisational Performance Management System	SDBIP for FY2024/25 signed off by the Executive Mayor within 28 days after the approval of the budget	The SDBIP for the FY 2023 / 2024 was signed off by the Executive Mayor on 22 June 2023 within 28 days after the approval of the Budget on 25 May 2023.	SDBIP for the FY2024/25 to be signed off by the Executive Mayor within 28 days after the approval of the budget	The SDBIP for the FY2024/25 was signed off by the Executive Mayor on 12 June 2024. The signing was done within the 28-day period after the approval of the budget under item A37/2024 on 15 May 2024.	<p>3 - Fully Effective</p>	None	None	Table 42 Page 98
Organisational Performance Management System	Number of organisational performance reviews conducted	4/4 Organisational performance reviews done during the 2022/23 FY	4 Organisational performance reviews conducted by 30 June 2024	4 Organisational performance reviews were done; the Annual Performance Review for the FY2022/23, the First Quarter Performance Review for the FY2023/24, the Mid Term Budget and Performance Review for the FY2023/24 and the Third quarter performance review for the FY2023/24.	<p>3 - Fully Effective</p>	None	None	Table 43 Page 99

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Organisational Performance Management System	Number of quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted	4/4 performance appraisals were conducted during the 2022/23 FY	4 Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted by 30 June 2024	Three quarterly performance assessments of the General Managers were done; the assessment for the third quarter of the FY2022/23, the first quarter of the FY2023/24 and the Annual Performance for the FY2022/23	2 - Not Fully Effective	Non-adherence to the OPM policy in terms of the performance appraisals	Strict adherence to the OPM policy to be enforced	Table 44 Page 100
Individual Performance Management System	Completion of the 2022/23FY IPMS performance appraisal	The IPMS Performance Appraisal for 2021/22 FY was completed on December 2023	IPMS Performance Appraisal for 2022/23 FY completed by 31 December 2023	IPMS Performance Appraisal for 2022/23 FY was not completed by 31 December 2023	2 - Not Fully Effective	The non-availability of Departmental Moderation Chairpersons of the other Departments.	All role players to adhere to the IPMS policy	Table 45 Page 101
Monitoring and Evaluation	Number of EDM Evaluation Reports on Air Quality submitted to the Accounting Officer	New KPI	1 EDM Evaluation Report on Air Quality submitted to the Accounting Officer by 30 June 2024	The Final Evaluation Report was submitted to the Accounting Officer on 4 June 2024 and was presented to the General Managers' Forum meeting that was held on 10 & 11 June 2024 at Graskop.	3 - Fully Effective	None	None	Table 46 Page 102

**STRATEGIC OBJECTIVE: SO 6 - Manage Organisational Risks and Improve Institutional Development**

3 - Fully Effective

**KEY PERFORMANCE AREA: Institutional Development and Transformation**

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Risk Management and Institutional Development	Number of Risk Management & Fraud Prevention Progress Reports submitted to RFPC	4/4 Risk Management & Fraud Prevention Progress Reports submitted during the 2022/23 FY	4 Risk Management & Fraud Prevention Progress Reports submitted to RFPC by 30 June 2024	4 Risk Management & Fraud Prevention Progress Reports were submitted to the RFPC on 24 August 2023, 02 November 2023, 13 February 2024 and 26 April 2024.	3 - Fully Effective	None	None	Table 47 Page 103
Risk Management and Institutional Development	Number of Skills Development Programmes implemented in terms of PDPs	30/24 Skills Development Programmes were implemented in 2021/22 FY	24 Skills Development Programmes implemented in terms of PDPs by 30 June 2024	35 Skills Development Programmes were implemented in terms of the PDPs by 30 June 2024.	3 - Fully Effective	The unit received several requests over and above what had been planned for.	None	Table 48 Page 104-105

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Risk Management and Institutional Development	Number of reports on the IT Strategy project implementation submitted to the IT Steering committee	New KPI	4 Reports on the IT Strategy project implementation submitted to the IT Steering Committee by 30 June 2024	4 Reports on the IT Strategy Project Implementation complied and submitted to the IT Steering Committee Meetings on 03 November 2023, 29th of February 2024, 06 June 2024 and 25 June 2024.	3 - Fully Effective	None	None	Table 49 Page 106
Risk Management and Institutional Development	Percentage of qualifying applicants (officials) awarded bursaries in terms of the Bursary Policy for 2024	100% of qualifying applicants were awarded bursaries during 2021/22 FY	100% of qualifying applicants (officials) awarded bursaries for 2024 by 30 June 2024	100% of qualifying applicants (officials) were awarded bursaries for 2024 during a meeting held on 1 February 2024.	3 - Fully Effective	None	None	Table 50 Page 107

### STRATEGIC OBJECTIVE: SO 7 - Ensure Prudent Financial Management

3 - Fully Effective

#### KEY PERFORMANCE AREA: Financial Viability and Management

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Implementation of Financial Management Practices	Percentage of Compliance with Budget Legislative Framework (Budget Preparations)	100% compliance with Budget Legislative Framework during the 2022/23 FY	100% compliance with Budget Legislative Framework by 30 June 2024 (Budget Preparations)	100% compliance with Budget Legislative Framework (Budget Preparations): Budget Process plan for 2024/25 prepared and approved by Council on 29 August 2023, a Draft Budget FY2024/25 approved by Council on 26 March 2024 (A27/2024) and submitted to NT on 27 March 2024 and the Final Budget approved by Council on 15 May 2024 (A37/2024) and submitted to NT on 21 May 2024.	3 - Fully Effective	None	None	Table 51 Page 108
Implementation of Financial Management Practices	Percentage of Compliance with Budget Legislative Framework (Budget implementation)	100% compliance with Budget Legislative Framework during the 2022/23 FY	100% compliance with Budget Legislative Framework by 30 June 2024 (Budget Implementation)	100% compliance with Budget Legislative Framework (Budget Implementation): Final Special Virement Adjustment Budget 2022/23	3 - Fully Effective	None	None	Table 52 Page 109

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Implementation of Financial Management Practices	Percentage of Compliance with Budget Legislative Framework (Budget Reporting)	100% compliance with Budget Legislative Framework during the 2022/23 FY	100% compliance with Budget Legislative Framework by 30 June 2024 (Budget Reporting)	approved by Council on 29 Aug 2023 (A88/2023), and the Special Adjustment Budget 2023/24 approved by Council on 29 August 2023 (A87/2023). All expenditures were approved budget as per Section 71 reports for June, July, August, September, October, November, December 2023, January, February, March, April and May 2024. Adjustment budget approved by Council on 27 Feb 2024 (A11/2024)	3 - Fully Effective	None		Table 53 Page 110
Implementation of Financial Management Practices	Percentage of implementation of the Financial Support Plan for LMs during the 2022/23 FY	100% implementation of the Financial Support Plan for LMs during the 2022/23 FY	100% implementation of the Financial Support Plan for LMs by 30 June 2024	100% implementation of the Financial Support Plan for LMs by 30 June 2024. The Municipal support plan for 2023/24 was developed and approved by the Municipality	3 - Fully Effective	None	None	Table 54 Page 111

PROGRAMME	INDICATOR	BASELINE	(OUTPUT) ANNUAL TARGET	ACTUAL PERFORMANCE FOR FY2023/2024	RESULT	REASON FOR DEVIATION	MECHANISM	REFERENCE TO DETAIL
Implementation of Financial Management Practices	Development of the 2022/23 FY Audit Action Plan	The 2021/22 FY Audit Action Plan was developed and approved by the Municipal Manager on 13 January 2023.	Audit Action Plan for 2022/23 FY developed by 31 January 2024	pal Manager on 25 July 2023. Provided support to all local municipalities with the AFS Review and District GRAP Training on the 26 & 27 July 2023.	3 - Fully Effective	None	None	Table 54 Page 112
Implementation of Financial Management Practices	Number of SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter	4/4 SCM Reports submitted to Council during the 2021/22 FY	4 SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2024	6 SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2024	3 - Fully Effective	2 additional reports were submitted to Council on the Extension of the Bank-GIS and the Banking contracts.	None	Table 56 Page 113
Implementation of Financial Management Practices	Number of Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted Council	4/4 Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure were submitted Council during the 2022/23 FY	4 Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted Council by 30 June 2024	4 Reports on the Unauthorised, Irregular, and Fruitless & Wasteful Expenditure were submitted Council by 30 June 2024	3 - Fully Effective	None	None	Table 57 Page 114
Implementation of Financial Management Practices	Number of Reports on the Implementation of the Procurement Plan submitted to Treasury	4 /4 Procurement plan implementation reports were submitted to Provincial Treasury during 2022/23 FY	4 Reports on the Implementation of the Procurement Plan Submitted to Treasury by 30 June 2024	4 Reports on the Implementation of the Procurement Plan were submitted to Provincial Treasury by 30 June 2024	3 - Fully Effective	None	None	Table 58 Page 115

## 6. Detail Performance Results for the FY 2023 - 2024

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

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

**6.1 SO 1 - Improve District Integrated & Coordinated Strategic Planning and Development (Result: 3 - 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 IDP's, as these documents are strategic in terms of ensuring appropriate service delivery. The programme aims at the critical role which the District Municipality must play in terms of coordinating the Integrated Development Planning processes for the district. It further entails the district providing support and capacity in the compilation of IDP's in Local Municipalities. The development and review of sector plans and strategies is required to inform the integrated development planning process.

**Table 6: Approval of the reviewed IDP for 2024/25 FY by a specific date**

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 1 - Improve District Integrated & Coordinated Strategic Planning and Development									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Approval of the reviewed IDP for 2024/25 FY by a specific date									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
IDP Review	Approval of the reviewed IDP for 2024/25 FY by a specific date	Approval of the Reviewed IDP for 2024/25 FY by 31 May 2024	The final reviewed IDP FY2024/25 was approved by Council on 15 May 2024, under council resolution no A36/2024	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Strategic Planning

Table 7: Number of Basic Infrastructure Business Plans developed by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 1 - Improve District Integrated & Coordinated Strategic Planning and Development									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Basic Infrastructure Business Plans developed by a specific date									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
120.00 %		A request for an additional report to be compiled for TCLM		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Basic Infrastructure Business Plans	Number of Basic Infrastructure Business Plans developed by a specific date	5 Basic Infrastructure Business Plans developed by 30 June 2024	6 Basic Infrastructure business plans were developed by 30 June 2024. 1.The Lydenburg Water treatment plant technical report completed on 25 October 2023, 2. Construction of Matsulu water reticulation network design report completed on 10 November 2023, 3.The construction of roads in Mashishing township business plan completed on 7 December 2023, 4.Sip Sop settlement Water supply technical report completed on 23 May 2024, 5. Graskop water supply system refurbishment report completed on 10 June 2024 and 6.Nyongane construction of internal streets and culvert bridge completed on 13 May 2024.	OPEX R32 170	OPEX R32 170	A request for an additional report to be compiled for TCLM	None	3 - Fully Effective	SDBIP - Bulk Planning & Implementation

Table 8: Completion of the Situational Analysis Report for EDM LAB Accreditation by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 1 - Improve District Integrated & Coordinated Strategic Planning and Development									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Completion of the Situational Analysis Report for EDM LAB Accreditation by a specific date									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %	None	None	None	None	None	3 - Fully Effective	3 - Fully Effective		
Project Information									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Situational Analysis for EDM LAB Accreditation	Completion of the Situational Analysis Report for EDM LAB Accreditation by a specific date	Situational Analysis Report for EDM LAB Accreditation completed by 30 June 2024	The situational Analysis Report for EDM LAB Accreditation was completed on 21 June 2024	OPEX R180 014	OPEX R180 014	None	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management

6.2. SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM (Result: 3 - Fully Effective )

6.2.1. 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 9: Completion of Purchase & Handover of water quality testing equipment by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM									
Key Performance Area									
Service delivery and infrastructure development									
Key Performance Indicator									
Completion of Purchase & Handover of water quality testing equipment by a specific date									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Asset Care Water & Sewer Infrastructure	Completion of Purchase & Handover of water quality testing equipment by a specific date	Purchase and handover of water quality testing equipment by 30 June 2024	The Purchase and handover of water quality testing equipment for Thaba Chweu Local Municipality was completed on 27 March 2024.	OPEX R198 400	OPEX R198 340	None	None	3 - Fully Effective	SDBIP - Civil Services

Table 10: Completion of the Supply & Delivery of Materials & Small Plant to LMs for patching potholes by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM									
Key Performance Area									
Service delivery and infrastructure development									
Key Performance Indicator									
Completion of the Supply & Delivery of Materials & Small Plant to LMs for patching potholes by a specific date									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Purchase of Material for Patching Potholes	Completion of the Supply & Delivery of Materials & Small Plant to LMs for patching potholes by a specific date	Supply & Delivery of Materials & Small Plant to LMs for patching potholes completed by 30 June 2024	The Supply and Delivery of Materials and Small Plant to LMs for patching potholes was completed on 25 June 2024	CAPEX R6 000 000	CAPEX R5 997 744	None	None	3 - Fully Effective	SDBIP - Roads & Transport

Table 11: Completion of the Purchase & Handover of Materials for refurbishment of high mast lights in Nkomazi by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM									
Key Performance Area									
Service delivery and infrastructure development									
Key Performance Indicator									
Completion of the Purchase & Handover of Materials for refurbishment of high mast lights in Nkomazi by a specific date									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Refurbishment of High mast Lights (Nkomazi)	Completion of the Purchase & Handover of Materials for refurbishment of high mast lights in Nkomazi by a specific date	Purchase and Handover of materials for refurbishment of high mast lights in Nkomazi completed by 30 June 2024	The Purchase and Handover of materials for refurbishment of high mast lights in Nkomazi Local Municipality was completed on 19 October 2023.	CAPEX R319 008	CAPEX R277 398	None	None	3 - Fully Effective	SDBIP - Civil Services

Table 12: % of WWTW construction work completed by a specific date - Civil Works (Lydenburg WWTW-2A)

PERFORMANCE MEASUREMENT INFORMATION			
Strategic Objective			
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM			
Key Performance Area			
Service delivery and infrastructure development			
Key Performance Indicator			
% of WWTW construction work completed by a specific date - Civil Works (Lydenburg WWTW-9)			
Performance against Target for 2023 – 2024		Mechanism to address Underperformance	
150.00 %		Contractor performed better than anticipated	
Reason for Deviation		Result / Trend	
Contractor performed better than anticipated		3 - Fully Effective	
Project Information			

Details of the projects which are implemented within this programme is reflected underneath:

Project Name	Indicator	Annual Target for FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Refurbishment and upgrading of the Lydenburg WWTW - Phase 2A (Civil Works)	% of WWTW construction work completed by a specific date - Civil Works (Lydenburg WWTW- Phase 2A)	20% of WWTW construction works completed by 30 June 2024	30% construction work for the construction of the WWTW Phase 2A Civil Works completed by 30 June 2024	CAPEX R46 848 174	CAPEX R46 848 174	Contractor performed better than anticipated	None	3 - Fully Effective	SDBIP - Bulk Planning & Implementation

Table 13: Number of Disaster Risk Management and Public Safety awareness campaigns held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - 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									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
125,00 %		A need was identified to conduct an additional awareness due to the area being prone to disaster risks such as domestic fires occurring		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	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 2024	OPEX R153 135	OPEX R151 525	A need was identified to conduct an additional awareness due to the area being prone to disaster risks such as	None	3 - Fully Effective	SDBIP - Disaster Management & Public Safety

			25 October 2023 in CoMLM, at MKhuhlu sports ground on 07 December 2023 in Bushbuckridge LM, at Tonga Block B in Nkomazi LM on 28 March 2024 and at Cyril Clarke secondary school and John Mdluli primary school at Mafafin City of Mbombela LM on 24 April 2024			domestic fires occurring		
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Table 14: Number of Microbiological & Chemical samples analysed

<b>PERFORMANCE MEASUREMENT INFORMATION</b>			
<b>Strategic Objective</b>			
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM			
<b>Key Performance Area</b>			
Service delivery and infrastructure development			
<b>Key Performance Indicator</b>			
Number of Microbiological & Chemical samples analysed			
<b>Performance against Target for 2023 - 2024</b>	<b>Reason for Deviation</b>	<b>Mechanism to address Underperformance</b>	<b>Result / Trend</b>
133.33 %	Over and above performance was due to analysing ad hoc samples that were brought in for query case investigation.	None	3 - Fully Effective
<b>Project Information</b>			

Details of the projects which are implemented within this programme is reflected underneath:

Project Name	Indicator	Annual Target for FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Municipal Health Sampling Programme	Number of Microbiological & Chemical samples analysed	400 Microbiological & 20 Chemical samples analysed by 30 June 2024	531 microbiological samples and 29 chemical samples were analysed by 30 June 2024	OPEX R121 540	OPEX R121 540	Over and above performance was due to analysing ad hoc samples that were brought in for query case investigation.	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management

Table 15: Number of Inspections on Accommodation Establishments conducted

<b>PERFORMANCE MEASUREMENT INFORMATION</b>			
<b>Strategic Objective</b>			
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM			
<b>Key Performance Area</b>			
Service delivery and infrastructure development			
<b>Key Performance Indicator</b>			
Number of Inspections on Accommodation Establishments conducted			
<b>Performance against Target for 2023 - 2024</b>	170.00 %	<b>Reason for Deviation</b>	<b>Result / Trend</b>
	28 additional Accommodation Establishments inspections were conducted in response to new applications.	None	3 - Fully Effective
<b>Project Information</b>			
Details of the projects which are implemented within this programme is reflected underneath:			

Project Name	Indicator	Annual Target for FY2023 - 2024	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 on Accommodation Establishments conducted	40 Inspections conducted on Accommodation Establishments by 30 June 2024	68 Inspections on Accommodation Establishments were conducted by 30 June 2024	OPEX	OPEX	28 additional Accommodation Establishments inspections were conducted in response to new applications.	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management

Table 16: Number of Inspections on School Facilities conducted

<b>PERFORMANCE MEASUREMENT INFORMATION</b>									
<b>Strategic Objective</b>									
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM									
<b>Key Performance Area</b>									
Service delivery and infrastructure development									
<b>Key Performance Indicator</b>									
Number of Inspections on School Facilities conducted									
<b>Performance against Target for 2023 - 2024</b>	243.33 %	<b>Reason for Deviation</b>	<b>Result / Trend</b>						
	86 More inspections were conducted because of responding to applications from the Department of Basic Education.	None	3 - Fully Effective						
<b>Project Information</b>									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2023 - 2024	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 on School Facilities conducted	60 Inspections conducted on School Facilities by 30 June 2024	146 Inspections on school facilities were conducted by 30 June 2024	OPEX	OPEX	86 More inspections were conducted because of responding to applications from the Department of Basic Education.	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management
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**Table 17 Number of Inspections on Clinic Facilities conducted**

<b>PERFORMANCE MEASUREMENT INFORMATION</b>		
<b>Strategic Objective</b>		
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM		
<b>Key Performance Area</b>		
Service delivery and infrastructure development		
<b>Key Performance Indicator</b>		
Number of Inspections on Clinic Facilities conducted		
<b>Performance against Target for 2023 - 2024</b>	<b>Reason for Deviation</b>	<b>Mechanism to address Underperformance</b>
120.00 %	0 more Clinic facilities inspections were conducted due to response to complaints.	None
		3 - Fully Effective
<b>Project Information</b>		

Details of the projects which are implemented within this programme is reflected underneath:

Project Name	Indicator	Annual Target for FY2023 - 2024	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 on Clinic Facilities conducted	40 Inspections conducted on Clinic Facilities by 30 June 2024	48 inspections on Clinic facilities were conducted by 30 June 2024	OPEX	OPEX	8 more Clinic facilities inspections were conducted due to response to complaints.	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management

Table 18: Number of Inspections on Hospital Facilities conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - 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 on Hospital Facilities conducted									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
125.00 %		5 More Hospital facilities inspections were conducted due to response to complaint.		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of Inspections on Hospital Facilities conducted	20 Inspections conducted on Hospital Facilities by 30 June 2024	25 inspections on Hospital Facilities were conducted by 30 June 2024	OPEX	OPEX	5 More Hospital facilities inspections were conducted due to response to complaint.	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management

Table 19: Number of Inspections on Food Premises conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - 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 on Food Premises conducted									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
165.50 %		250 additional food premises inspections were conducted due to response to new applications and complaints		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department

Health Surveillance of Premises	Number of Inspections on Food Premises conducted	400 Inspections conducted on Food premises by 30 June 2024	650 inspections on food premises were conducted by 30 June 2024	OPEX	OPEX	250 additional food premises inspections were conducted due to response to new applications and complaints	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management
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Table 20: Number of Inspections on Funeral Undertaker Facilities conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - 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 on Funeral Undertaker Facilities conducted									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
120.00 %		15 more inspections were conducted in response to new applications and complaints.		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Health Surveillance of Premises	Number of Inspections on Funeral Undertaker Facilities conducted	80 Inspections conducted on Funeral Undertaker Facilities by 30 June 2024	95 inspections on funeral undertaker's facilities were conducted by 30 June 2024	OPEX	OPEX	15 more inspections were conducted in response to new applications and complaints.	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management

**Table 21: Number of Illegal Dumping Sites Cleared and Rehabilitated and Working tools for waste collectors delivered by a specific date**

<b>PERFORMANCE MEASUREMENT INFORMATION</b>									
<b>Strategic Objective</b>									
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM									
<b>Key Performance Area</b>									
Service delivery and infrastructure development									
<b>Key Performance Indicator</b>									
Number of Illegal Dumping Sites Cleared and Rehabilitated and Working tools for waste collectors delivered by a specific date									
<b>Performance against Target for 2023 - 2024</b>		<b>Reason for Deviation</b>		<b>Mechanism to address Underperformance</b>		<b>Result / Trend</b>			
62.50 %		The SDBIP was not adjusted in line with the change of scope		To ensure that any changes in the scope of projects being implemented be taken into consideration during the adjustment of the SDBIP		2 - Not Fully Effective		2 - Not Fully Effective	
<b>Project Information</b>									
Details of the projects which are implemented within this programme is reflected underneath:									
<b>Project Name</b>	<b>Indicator</b>	<b>Annual Target for FY2023 - 2024</b>	<b>Details on Performance</b>	<b>Project Budget</b>	<b>Project Expenditure</b>	<b>Reason for Deviation</b>	<b>Mechanism to address under-performance</b>	<b>Year to date Score</b>	<b>Implementing Department</b>
The clearing and rehabilitation of illegal dumping spots	Number of illegal dumping sites cleared and rehabilitated and working tools for waste collectors delivered by a specific date	3 illegal dumping sites cleared and rehabilitated and working tools for waste collectors delivered by 30 June 2024	2 illegal dumping sites were cleared and 1 site was rehabilitated in June 2024 at Nkomazi Local Municipality. Working tools (10 Waste Tricycles) for waste recyclers were delivered to all Local Municipalities on the 10th of April 2024 at EDM.	OPEX R687 000	OPEX R686 950	The SDBIP was not adjusted in line with the change of scope of the project	To ensure that any changes in the scope of projects being implemented be taken into consideration during the adjustment of the SDBIP.	2 - Not Fully Effective	SDBIP - Municipal Health & Environmental Management

Table 22: Purchase and delivery of skip bins for two Local Municipalities

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - Deliver Services and Implement Projects In Line With The Mandate of EDM									
Key Performance Area									
Service delivery and infrastructure development									
Key Performance Indicator									
Purchase and delivery of skip bins for two Local Municipalities									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		The City of Mbombela was later prioritised for the skip bins due to the District Development Model which prioritizes the rebuilding of Barberton.		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Waste Disposal Programme	Purchase and delivery of skip bins for two Local Municipalities	Purchase and delivery of skip bins for 2 Local Municipalities completed by 30 June 2024	The Purchase and delivery of skip bins for 3 local municipalities (TCLM, BLM and CoMLM) was completed by 30 June 2024	CAPEX R568 000	CAPEX R568 000	The City of Mbombela was later prioritised for the skip bins due to the District Development Model which prioritizes the rebuilding of Barberton.	None	3 - Fully Effective	SDBIP - Municipal Health & Environmental Management

Table 23: Number of Technical Services Projects Completed

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 2 - 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 Technical Services Projects Completed									
Performance against Target for 2023 - 2024		Reason for Deviation			Mechanism to address Underperformance			Result / Trend	
82.14 %		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
RRAMS	Number of KMs Visual Assessments Conducted and Submitted of Progress Reports to DoT	1445KMs visual assessment conducted and 4 Progress Reports submitted to DoT by 30 June 2024	1592kms visual assessment were conducted and 4 Progress Report were submitted to DoT by 30 June 2024	CAPEX R2 398 750	CAPEX R2 085 869	Conductive weather conditions during the first and second quarter allowed for more kms to be assessed.	None	3 - Fully Effective	SDBIP - Roads & Transport
Wastewater treatment works improvement programme	Number of WWTW refurbished in Graskop	1 WWTW in Graskop refurbished by 30 June 2024	1 WWTW in Graskop refurbished by 14 December 2023	CAPEX R5 626 850	CAPEX R4 557 691	None	None	3 - Fully Effective	SDBIP - Water & Sanitation
Upgrade of Existing Municipal Building	Completion of the EDM Municipal Building upgrades by a specific date	EDM Municipal Building upgrades completed by 30 June 2024	The upgrade for EDM municipal building was not completed. Progress by 30 June 2024 was at 74%	CAPEX R3 800 000	CAPEX R2 952 218	Due to an adjustment of the scope of work and unforeseen circumstances experienced during the project	Extension of time was granted. A roll-over to be applied for, for completion of the project in the FY2024/25.	2 - Not Fully Effective	SDBIP - Roads & Transport

Voting Stations installed with Basic Services Infrastructure	Number of Voting Stations installed with Basic Services Infrastructure	17 Voting Stations installed with Basic Services Infrastructure by 30 June 2024	17 Voting stations were installed with Basic Service Infrastructure by 28 May 2024	CAPEX R500 000	CAPEX R452 064	None	None	3 - Fully Effective	SDBIP - Water & Sanitation
Resealing and Repair of Potholes on Barberton Tourism Routes Phase 2	Completion of Designs for the Rehabilitation of roads in Barberton	Designs for the rehabilitation of roads in Barberton completed by 30 June 2024	Designs for the rehabilitation of roads in Barberton was completed on 14 March 2024	CAPEX R586 300	CAPEX R315 284	None	None	3 - Fully Effective	SDBIP - Roads & Transport
Drilling of 1 New Solar Borehole at Aniva New stands	Number of Solar Boreholes drilled at Aniva New Stand	1 Solar Borehole drilled at Aniva New Stand by 30 June 2024	Drilling of 1 Solar Borehole in Aniva New Stand was completed on 5 December 2023	CAPEX R496 464	CAPEX R496 463	None	None	3 - Fully Effective	SDBIP - Civil Services
Installation of New High Mast Lights (CoMLM)	Number of high mast Lights installed at Khumbula	2 High mast Lights installed at Khumbula by 30 June 2024	2 High mast lights were installed in Khumbula by 12 March 2024	CAPEX R953 000	CAPEX R926 419	None	None	3 - Fully Effective	SDBIP - Civil Services
New Borehole at Portia Shabangu (Tekwane South)	Completion of installation & handover of additional Jojo Tank and water disinfection system for a Borehole at Portia Shabangu (Tekwane South) by a specific date	Installation and handover of 2 Jojo Tanks and a water disinfection system for a borehole at Portia Shabangu (Tekwane South) completed by 30 June 2024	The installation of 2 Jojo Tanks and a water disinfection system for a borehole at Portia Shabangu (Tekwane South) was completed on 28 May 2024 and handed over on 4 June 2024	CAPEX R400 000	CAPEX R167 200	None	None	3 - Fully Effective	SDBIP - Civil Services
Refurbishment and upgrading of the Lydenburg WWTW - Phase 1B (Upgrading)	Number of WWTW refurbished by a specific date	1 WWTW refurbished by 30 June 2024	The refurbishment of the WWTW in Lydenburg was not complete. Overall progress was 47% by 30 June 2024	CAPEX R8 616 562	CAPEX R8 484 020	The contractor was not performing on site due to cashflow problems and community work stoppages	Monitor progress and manage the project according to GCC. A roll-over to be applied for, for completion of the project in the FY2024/25.	2 - Not Fully Effective	SDBIP - Bulk Planning & Implementation

Boreholes installation programme	Number of New Solar Boreholes installed in Bushbuckridge by a specific date	2 New Solar Boreholes installed in Bushbuckridge by 30 June 2024	2 New boreholes installation were completed in Bushbuckridge (Welverdiend and Andover) by 13 November 23	CAPEX R980 377	CAPEX R980 377	CAPEX R980 377	None	None	3 - Fully Effective	SDBIP - Roads & Transport
Drilling and equipping of Boreholes at Lihawu	Number of boreholes drilled and equipped at Lihawu by a specific date	2 Boreholes drilled and equipped at Lihawu by 30 June 2024	The 2 Boreholes at Lihawu were drilled but not equipped.	CAPEX R800 000	CAPEX R800 000	CAPEX R118 000	The two drilled boreholes had a low water yield and therefore were not equipped	Two other areas to be identified, assessed, drilled and equipped. A roll-over to be applied for, for completion of the project in the FY2024/25.	1 - Underperformed	SDBIP - Civil Services
Drilling of 2 New Solar Borehole at Jeppes Reef 2 New sections Zone 12 (Near Driekoppies Dam)	Number of Solar Boreholes drilled at Jeppes Reef Zone 12	2 Solar Boreholes drilled at Jeppes Reef Zone 12 by 30 June 2024	2 Solar boreholes were drilled in Jeppes Reef in Nkomazi Local Municipality on 19 February 2024.	CAPEX R1 042 036	CAPEX R1 041 331	CAPEX R1 041 331	None	None	3 - Fully Effective	SDBIP - Civil Services
Wastewater treatment works improvement programme	Number of Pump Stations refurbished by a specific date	2 Booster Pump Stations refurbished by 30 June 2024	Contractor appointed on 25 April 2024. Project implementation was in progress as at 30 June 2024.	CAPEX R1 337 383	CAPEX R569 248	CAPEX R569 248	The first contractor - appointed on 21 December 2023 surrendered the project back to the Municipality on 08 March 2024, due to under-pricing.	A condition to be included in the Procurement Policy to address a possible financial risk of under-quoting. A roll-over to be applied for, for completion of the project in the FY2024/25.	1 - Underperformed	SDBIP - Water & Sanitation
Pothole repair, re-sealing and general maintenance for roads in Thaba Chweu Local Municipality (Roll-over)	Number of Roads rehabilitated in Thaba Chweu	2 Road rehabilitated in Thaba Chweu by 30 June 2024	Two roads were rehabilitated in TCLM (Lydenburg); Kerk Street and Lydenburg street on 3 May 2024.	CAPEX R4 443 260	CAPEX R3 992 910	CAPEX R3 992 910	None	None	3 - Fully Effective	SDBIP - Roads & Transport

Wastewater treatment works improvement programme	Number of WWWTW in Sabie refurbished by a specific date	1 WWWTW in Sabie refurbished by 30 June 2024	The refurbishment of the WWWTW in Sabie was practically completed by 18 June 2024	CAPEX R7 518 131	CAPEX R6 527 885	None	None	3 - Fully Effective	SDBIP - Water & Sanitation
Boreholes in Bushbuckridge Local Municipality	Number of boreholes refurbished and installed by a specific date	2 Boreholes refurbished and 1 Borehole installed by 30 June 2024	3 New Boreholes were installed and commissioned by 29 September 2023 in Bushbuckridge (New Line, Huntington and Chere)	CAPEX R356 661	CAPEX R356 661	Existing boreholes could not be refurbished because of collapsed sides and falling of existing equipment.	None	3 - Fully Effective	SDBIP - Roads & Transport
Driekoppies Regional Water Scheme Phase 1A	Completion of an Upgrade of existing 20 MI/d plant to a 30 MI/d plant by a specific date	Upgrade of existing 20MI/d plant to a 30MI/d 10 MI/d module completed by 30 June 2024	The upgrade of existing 20MI/d plant to a 30MI/d plant of a 10 MI/d module was not completed. Requester document & request for funding submitted to DWS for approval to proceed (letter dated 26 June 2024)	CAPEX R22 597 986	CAPEX R9 905 349	Extensive litigation between EDM and the contractor. The contractor cancelled the contractual agreement on 08 April 2024.	Strict adherence to the GCC in managing the project. A roll-over to be applied for, for completion of the project in the FY2024/25.	1 - Underperformed	SDBIP - Water & Sanitation
Drilling of Boreholes at Block C - Manyaleti and KaMhushwa (Roll-over)	Number of Boreholes drilled at Block C Manyaleti and KaMhushwa by a specific date	2 Boreholes drilled at Block C Manyaleti and KaMhushwa by 30 September 2023	Two (2) boreholes at KaMhushwa and Block C Manyaleti were completed and handed over to Nkomazi LM on 31 August 2023.	CAPEX R67 425	CAPEX R67 425	None	None	3 - Fully Effective	SDBIP - Civil Services

**6.3. SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth (Result: 3 - Fully Effective)**

**6.3.1. ORGANISATIONAL PROGRAMME: District Socio Economic Development & Growth**

Improving the lives of the communities in Ehlanzeni District requires interventions which caters for social and economic upliftment. The vulnerable groups – women, the elderly, the disabled, children and the youth are planned for. It is the District Municipality's intention to create decent and sustainable jobs - especially for the youth whose unemployment rate is on the increase across the country – through implementation of the Expanded Public Works Programme. Other programmes implemented ensure awareness of tourism attractions within the district for economic investment purposes and to support cooperatives to become more sustainable

**Table 24: Number of Work opportunities created through the EDM Sector-based Skills Development Programme and Parks Cleaning Programme**

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio 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 Parks Cleaning Programme									
Performance against Target for 2023 - 2024		Reason for Deviation			Mechanism to address Underperformance			Result / Trend	
122.67 %		The additional job opportunities are due to resignations and appointment of replacement workers.			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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
EDM Sector-based Skills Development Programme	Number of Work opportunities created through the EDM Sector-based Skills Development Programme	110 Work opportunities created through the EDM Sector-based Skills Development Programme by 30 June 2024	138 Work opportunities were created through the EDM Sector-based Skills Development Programme by 30 June 2024.	OPEX R778 000	OPEX R776 844	The additional job opportunities are due to resignations and appointment of replacement workers.	None	3 - Fully Effective	SDBIP - LED & Tourism
Parks Cleaning Programme	Number of work opportunities created through the Parks Cleaning Programme	40 Work opportunities created through Parks Cleaning Programme by 30 June 2024	46 Work opportunities were created through Parks Cleaning Programme by 30 June 2024.			The additional job opportunities are due to resignations and appointment of replacement workers.	None	3 - Fully Effective	SDBIP - LED & Tourism

Table 25: Number of Emerging & Start-up Businesses/Cooperatives benefiting from mentorship programme

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Emerging & Start-up Businesses/Cooperatives benefiting from mentorship programme									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Emerging & Start-up Businesses/Cooperatives	Number of Emerging & Start-up Businesses/Cooperatives benefiting from mentorship programme	6 Emerging & Start-up Business-Cooperatives benefiting from mentorship programme by 30 June 2024	6 Emerging & Start-up Businesses/Cooperatives benefited from the mentorship programme by 30 June 2024. 1. Tanisa Nolutha Keagan Greenhouse Technology, 2.Africa hope, 3. Kgaogelo ya bo mme, 4.Elnomvu Clothing Cooperative. 5.Versatile Nkosi & Mamba Trade as Quench and 6. Mandlulela Group-Manufacturing	OPEX R790 800	OPEX R790 390	None	None	3 - Fully Effective	SDBIP - Rural Development

Table 26: Number of small-scale farmers supported by means of a structured support programme

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio 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									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
133.33 %		Support to Zu-Mash was discontinued at the end of the third quarter due to challenges on poor performance as well as the lease issues on the farm. A fourth beneficiary was Identified and included in the programme		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 FY2023 - 2024	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 2024	4 Small Scale Farmers were supported by means of a structured support programme by 30 June 2024. 1. Zu Mash farming, 2. WG &CP Farming 3. Ngungwane Cooperative and 4. Mwayi Primary Cooperative	OPEX R395 355	OPEX R394 512	Support to Zu-Mash was discontinued at the end of the third quarter due to challenges on poor performance as well as the lease issues on the farm. A fourth beneficiary was Identified and included in the programme	None	3 - Fully Effective	SDBIP - Rural Development

Table 27: Number of Households supported in terms of food production in Bushbuckridge

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Households supported in terms of food production in Bushbuckridge									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Food Security Programmes	Number of Households supported in terms of food production in Bushbuckridge & City of Mbombela LM (Training/Purchase of tools trade/Monitoring)	200 Households in Bushbuckridge LM & City of Mbombela LM supported (Training/Purchase of tools trade/Monitoring) in terms of food production by 30 June 2024	200 Households in Bushbuckridge LM & City of Mbombela LM were supported (Training/Purchase of tools trade/Monitoring) in terms of food production by 30 June 2024	OPEX R993 945	OPEX R993 082	None	None	3 - Fully Effective	SDBIP - Rural Development

Table 28: Number of Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
110.00 %		Prior to the appointment of the service provider, support was provided to guesthouses identified in previous financial year.		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Tourism Development and Support	Number of Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards	10 Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards by 30 June 2024	11 Guesthouses were supported on grading requirements, Marketing, Skills Development, HR and Service Standards by 30 June 2024. Guest houses as follows: 1. Xhirandziwa M. 2. The Village Lodge, 3. Mzsingitane Tented Camp, 4. Masana Boutique Hotel, 5. Meropa Lodge, 6. Ekhaya Guest House, 7. Mt. Aloe Den. The following were supported internally: 8. Gosheni hospitality group, 9. Sagwadi Hotel, 10. Asante Guest House and 11. Riverside Kaia	OPEX R273 000	OPEX R272 010	Prior to the appointment of the service provider, support was provided to guesthouses identified in previous financial year.	None	3 - Fully Effective	SDBIP - LED & Tourism

Table 29: Number of Trade & Investment promotion events participated in for promotion and marketing of the district

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Trade & Investment promotion events participated in for promotion and marketing of the district									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Trade and Economic Roadshows	Number of Trade & Investment promotion events participated in for promotion and marketing of the district	2 Trade & Investment promotion events participated in for promotion and marketing of the district by 30 June 2024	2 Trade & Investment promotion events were participated in for promotion and marketing of the district by 30 June 2024. Camping and Caravan Show from 23 to 25 February 2024 and World Travel Market from 10 to 13 April 2024.	OPEX R45 900	OPEX R45 251	None	None	3 - Fully Effective	SDBIP - LED & Tourism

Table 30: Number of LTO/RTO/SOE supported with tourism development & promotion.

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of LTO/RTO/SOE supported with tourism development & promotion.									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	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 LTO/RTO/SOE supported with tourism development & promotion.	5 LTO/RTO/SOE supported with tourism development & promotion by 30 June 2024	5 LTO / RTO / SOE were supported with tourism development & promotion. (i)Kruger Lowveld Chamber of Business and Tourism (KLCBT) RTO, (ii)Mpumalanga Tourism and Parks Agency (MTPA), (iii) Marloth Park LTO,(iv) Hazyview information centre and (v) Hazyview chamber of business	OPEX R415 100	OPEX R414 400	None	None	3 - Fully Effective	SDBIP - LED & Tourism

Table 31: Finalisation of awarding bursaries for 2024 to students by the Bursary Committee by a specific date

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Finalisation of awarding bursaries for 2024 to students by the Bursary Committee by a specific date									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Mayor's Bursary Programme (Student)	Finalisation of awarding bursaries for 2024 to students by the Bursary Committee by a specific date	Bursaries to students for 2024 finalised & awarded by the Bursary Committee by 30 June 2024	Bursaries to qualifying students for 2024 were finalized and awarded by the Bursary Committee on 13 February 2024.	OPEX R807 000 <sup>1</sup>	OPEX R806 987	None	None	3 - Fully Effective	SDBIP - Human Resources Management

<sup>1</sup> This project budget and expenditure includes Bursary for office: 1 table 48

Table 32: Number of Transversal Projects implemented

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 3 - Create a Conducive Environment For District Socio Economic Development and Growth									
Key Performance Area									
Local Economic Development									
Key Performance Indicator									
Number of Transversal Projects implemented									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Back to School Outreach Programme	Number of Mayoral Back to School Outreach Projects held	1 Mayoral Back to School Outreach Project held by 30 June 2024	1 Mayoral Back to School outreach project was held through distribution of school uniforms on 5 February 2024 at Khulong Primary School and 7 February 2024 at Vandama Primary School in Bushbuckridge Local Municipality	OPEX R198 500	OPEX R198 473	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Disability Programme	Number of Mayoral Disability Outreach Projects held	1 Mayoral Disability Outreach Project held by 30 June 2024	1 Disability Outreach project was held on 18 -20 December 2023 during which wheelchairs and assistive devices were distributed to persons with disability in Bushbuckridge and Thaba Chweu Local Municipalities.	OPEX R166 520	OPEX R166 520	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Ehlanzeni Senior Citizens Outreach Programme	Number of Mayoral Senior Citizens Outreach Project	1 Mayoral Outreach Project for Ehlanzeni Senior Citizens held by 30 June 2024	1 Mayoral Senior Citizens Outreach Project was implemented on 27 November 2023, at Driekoppies, in Nkomazi Local Municipality	OPEX R136 953	OPEX R136 891	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor

GBVF Awareness Campaign	Number of GBVF Projects implemented	2 GBVF Projects implemented by 30 June 2024	2 GBVF Projects were implemented. GBVF awareness campaign on 20 September 2023 in collaboration with University of Mpumalanga and the GBVF seminar on 30 November 2023, at Msogwaba Community Hall, City of Mbombela Local Municipality, in partnership with the Department of Social Services and Grace Counseling Support Center.	OPEX R321 100	OPEX R321 080	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Youth Programme	Number of Youth Projects implemented	1 Youth Projects to be implemented by 30 June 2024	1 Youth project was implemented; a Food Safety and Hygiene training on 9 May 2024, at the Disaster Management Centre.	OPEX R214 300	OPEX R214 250	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Mandela Day Programme	Number of Mandela Day projects implemented	1 Mandela Day project to be implemented by 30 June 2024	1 Mandela Day project was implemented in collaboration with the Department of Education. The event was held on 18 July 2023, in Mahushu in the City of Mbombela Local Municipality	OPEX R176 410	OPEX R176 410	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Jamboree	Number of Jamborees implemented	1 Jamboree implemented by 30 June 2024	1 Jamboree was held on 3 May 2024, at ward 12 Cairn site, in the City of Mbombela Local Municipality	OPEX R161 650	OPEX R161 650	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Elderly Programme	Number of Elderly Projects implemented	1 Elderly Project to be implemented by 30 June 2024	1 Elderly Project was implemented on 4 December 2023, at Sifundlela, in the City of Mbombela Local Municipality	OPEX R133 700	OPEX R133 600	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Disability Outreach Programme	Number of Disability Projects implemented	1 Disability Projects to be implemented by 30 June 2024	1 Mayoral Disability Awards event was held on 25 June 2024, at the DMC.	OPEX R177 500	OPEX R177 470	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor

Women Empowerment Programme	Number of Women Empowerment Projects implemented	3 Women Empowerment Projects to be implemented by 30 June 2024	3 Women Empowerment Projects were implemented: (i) Young Women in Business event held on 30 August 2023, at Ehlanzeni District Municipality, (ii) Women's Day Celebration which was held on 16 August 2023, at Nutting House lodge, and (iii) a Women's Capacity Building Programme on 27 March 2024 at Alliance church, at Ka-Msogwaba, in the City of Mbombela LM	OPEX R758 003	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Positive Living	Number of District Positive Living Conventions held	1 District Positive Living Convention held by 30 June 2024	1 Positive living convention was implemented on 7 May 2024, at Thaba Chweu Local Municipality	OPEX R74 200	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor
Children Programme	Number of Children's Rights Projects implemented	3 Children's Rights Projects implemented by 30 June 2024	3 Children Rights Projects were implemented: 1. Early Childhood Development Training on 22 and 23 August 2023, at Dantjie, 2. Workshop for Champions for Children on 26 and 27 October 2023, at Good hope Centre, Mataffin and 3. Take a child to work day held on 12 June 2024 at Cyril Clark High School Mataffin. All projects were implemented in the City of Mbombela LM	OPEX R582 153	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor

#### 6.4. SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management (Result: 3 - Fully Effective )

##### 6.4.1. ORGANISATIONAL PROGRAMME: IGR & Stakeholder Management

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 33: Number of Chief Whip Outreach Projects held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Chief Whip Outreach Projects held									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Chief Whip Outreach Project	Number of Chief Whip Outreach Projects held	4	4 Chief Whip Outreach projects were held: On 05 October 2023 at KaNyama-zane Stadium in CoMLM, 15 November 2023 at Ntunda Open Ground in Nkomazi Local Municipality, 05 March 2024 in Bushbuckridge Local Municipality at Agincourt Open ground and 25 April 2024 at Shabalala Open Ground in the City of Mbombela.	OPEX R1 301 950	OPEX R1 301 940	None	None	3 - Fully Effective	SDBIP - Office of the Speaker

Table 34: Number of meetings held by the IDP Representative Forum

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of meetings held by the IDP Representative Forum									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance			Result / Trend		
100.00 %		A resolution was taken to combine the meetings of the IDP Representative forum and the DDM Council (Scheduled for 21 November 2023) due to the similarity in stakeholders and content of Agendas		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
IDP Representative Forum	Number of meetings held by the IDP Representative Forum	2 Meetings held by the IDP Representative Forum by 30 June 2024	2 IDP & Budget Representative Forum meeting was held on 21 November 2023 and 02 May 2024, via the virtual Platform	OPEX R56 235	OPEX R56 230	A resolution was taken to combine the meetings of the IDP Representative forum and the DDM Council (Scheduled for 21 November 2023) due to the similarity in stakeholders and content of Agendas	None	3 - Fully Effective	SDBIP - Strategic Planning

Table 35: Number of DDM Council meetings held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of DDM Council meetings held									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		A resolution was taken to combine the meetings of the IDP Representative forum and the DDM Council (Scheduled for 21 November 2023) due to the similarity in stakeholders and content of Agendas	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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
DDM Council	Number of DDM Council meetings held	4 DDM Council meetings held by 30 June 2024	4 DDM Council meetings were held; on 29 September 2023, on 21 November 2023, 29 February 2024 and on 20 March 2024, via the virtual platform.	OPEX	OPEX	A resolution was taken to combine the meetings of the IDP Representative forum and the DDM Council (Scheduled for 21 November 2023) due to the similarity in stakeholders and content of Agendas	None	3 - Fully Effective	SDBIP - Strategic Planning

Table 36: Number of DDM Technical Meetings Held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of DDM Technical Meetings Held									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
DDM Technical	Number of DDM Technical meetings held	4 DDM Technical meetings held by 30 June 2024	4 DDM Technical meetings were held on 06 September 2023, on 14 November 2023, on 14 February 2024 and on 13 June 2024 via the virtual platform.	OPEX R0	OPEX R0	None		● 3 - Fully Effective	SDBIP - Strategic Planning

Table 37: Final & Approved Annual Report printed & sent to relevant offices (2022/23 FY Annual Report)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Final & Approved Annual Report printed & sent to relevant offices (2022/23 FY Annual Report)									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Annual Report	Final & Approved Annual Report printed & sent to relevant offices (2022/23 FY Annual Report)	Final & Approved Annual Report printed & distributed by 30 April 2024 (2022/23 FY Annual Report)	The final and approved Annual Report (Council Resolution no B4/2024) was printed and distributed to the relevant offices by 30 April 2024.	OPEX R1 649 365 <sup>2</sup>	OPEX R1 649 329 <sup>3</sup>	None	None	3 - Fully Effective	SDBIP - Stakeholder Management & Municipal Support

<sup>2</sup> This project budget is inclusive of three projects. The Annual Report, Marketing of EDM and Media awareness campaigns

<sup>3</sup> This project expenditure is inclusive of three projects. The Annual Report, Marketing of EDM and Media awareness campaigns

Table 38: Number of Siya Deliver Manje newspapers published

PERFORMANCE MEASUREMENT INFORMATION									
<b>Strategic Objective</b>									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
<b>Key Performance Area</b>									
Public Participation and Good Governance									
<b>Key Performance Indicator</b>									
Number of Siya Deliver Manje newspapers published									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %		None		None		3 - Fully Effective			
<b>Project Information</b>									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2023 - 2024	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 Siya Deliver Manje newspapers published	4 Siya Deliver Manje newspapers published by 30 June 2024	4 Siya Deliver Manje newspapers were published by 30 June 2024	OPEX Budget is included in table 35 above.	OPEX Expenditure Is included in table 35 above.	None	None	3 - Fully Effective	SDBIP - Stakeholder Management & Municipal Support

Table 39: Number of Media Awareness Campaigns held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Media Awareness Campaigns held									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Radio interviews, Flyers/Pamphlets, Loud Hailing	Number of Media Awareness Campaigns held	12 Media Awareness Campaigns held through any media platform by 30 June 2024	12 Media Awareness Campaigns were held : (1) Oversight visit on Land Reform and Agriculture by the Deputy President on 4 July 2023, (2) Young women in business at EDM Disaster Management Centre on 30 Aug 2023, (3) Guesthouse Support Program Oversight visit by LED Portfolio Committee on 24 August 2023, (4) MPAC Public hearing on 14 November 2023, (5) GIS Awareness Session on 22 November 2023, (6) Chief Whips Outreach Programme on 5 December	OPEX Budget is included in table 35 above.	OPEX Expenditure Is included in table 35 above.	None	None	3 - Fully Effective	SDBIP - Stakeholder Management & Municipal Support



Table 40: Number of Speaker's Outreach projects held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Speaker's Outreach projects held									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Speaker's Outreach Project	Number of Speaker's Outreach projects held	4 Speaker's Outreach Projects held by 30 June 2024	4 Speakers Outreach programmes were held; on 14 September 2023 at Bufelspruit Open Ground in Nkomazi LM, on 08 November 2023 at Zola Open Ground in Bushbuckridge LM, on 22 February 2024 in the City of Mbombela LM at Bhuga Open Ground and 26 April 2024 at Leroro Open Ground in TCLM.	OPEX R850 200	OPEX R850 109	None	None	3 - Fully Effective	SDBIP - Office of the Speaker

Table 4.1: Number of Mayoral Imbizo's held

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 4 - Strengthen Intergovernmental Relations and Stakeholder Management									
Key Performance Area									
Public Participation and Good Governance									
Key Performance Indicator									
Number of Mayoral Imbizo's held									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Mayoral Imbizo	Number of Mayoral Imbizo's Held	2 Mayoral Imbizo's held by 30 June 2024	2 Mayoral Imbizos were held: on 10 November 2023, at Tekwane South and on 17 May 2024 at ward 4 Spelanyane in the City of Mbombela Local Municipality.	OPEX R553 950	OPEX R553 950	None	None	3 - Fully Effective	SDBIP - Office of the Executive Mayor

**6.5. SO 5 - Manage Performance, Monitoring & Evaluation (Result: 2 - Not Fully Effective )**

**6.5.1. 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 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 42: SDBIP for FY2024/25 signed off by the Executive Mayor within 28 days after the approval of the budget**

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 5 - Manage Performance, Monitoring & Evaluation									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
SDBIP for FY2024/25 signed off by the Executive Mayor within 28 days after the approval of the budget									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
SDBIP for the FY2024/25	SDBIP for FY2024/25 signed off by the Executive Mayor within 28 days after the approval of the budget	SDBIP for the FY2024/25 to be signed off by the Executive Mayor within 28 days after the approval of the budget	The SDBIP for the FY2024/25 was signed off by the Executive Mayor on 12 June 2024. The signing was done within the 28-day period after the approval of the budget under item A37/2024 on 15 May 2024.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Organisational Performance Management

Table 43: Number of organisational performance reviews conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 5 - Manage Performance, Monitoring & Evaluation									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of organisational performance reviews conducted									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
100.00 %	None	None	None	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 FY2023 - 2024	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 2024	4 Organisational performance reviews were done; the Annual Performance Review for the FY2022/23, the First Quarter Performance Review for the FY2023/24, the Mid Term Budget and Performance Review for the FY2023/24 and the Third quarter performance review for the FY2023/24.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Organisational Performance Management

Table 44: Number of quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 5 - Manage Performance, Monitoring & Evaluation									
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									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
75.00 %		Non-adherence to the OPM policy in terms of the performance appraisals		Strict adherence to the OPM policy to be enforced		●		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	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	4 Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted by June 2024	Three quarterly performance assessments of the General Managers were done: the assessment for the third quarter of the FY2022/23, the first quarter of the FY2023/24 and the Annual Performance for the FY2022/23	OPEX	OPEX	Non-adherence to the OPM policy in terms of the performance appraisals	Strict adherence to the OPM policy to be enforced	● 2 - Not Fully Effective	SDBIP - Organizational Performance Management

**6.5.2. ORGANISATIONAL PROGRAMME: Individual Performance Management System**

The cascading of performance to all levels of the organization 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 45: Completion of the 2022/23FY IPMS performance appraisal**

<b>PERFORMANCE MEASUREMENT INFORMATION</b>									
<b>Strategic Objective</b>									
SO 5 - Manage Performance, Monitoring & Evaluation									
<b>Key Performance Area</b>									
Institutional Development and Transformation									
<b>Key Performance Indicator</b>									
Completion of the 2022/23FY IPMS performance appraisal									
<b>Performance against Target for 2023 - 2024</b>		<b>Reason for Deviation</b>	<b>Mechanism to address Underperformance</b>		<b>Result / Trend</b>				
50.00 %		The non-availability of Departmental Moderation Chairpersons of the other Departments.	All role players to adhere to the IPMS policy		2 - Not Fully Effective				
<b>Project Information</b>									
Details of the projects which are implemented within this programme is reflected underneath:									
<b>Project Name</b>	<b>Indicator</b>	<b>Annual Target for FY2023 - 2024</b>	<b>Details on Performance</b>	<b>Project Budget</b>	<b>Project Expenditure</b>	<b>Reason for Deviation</b>	<b>Mechanism to address under-performance</b>	<b>Year to date Score</b>	<b>Implementing Department</b>
Performance Appraisals	Completion of the 2022/23FY IPMS performance appraisal by a specific date	IPMS Performance Appraisal for 2022/23 FY completed by 31 December 2023	IPMS Performance Appraisal for 2022/23 FY was not completed by 31 December 2023	OPEX	OPEX	The non-availability of Departmental Moderation Chairpersons of the other Departments.	All role players to adhere to the IPMS policy	2 - Not Fully Effective	SDBIP - IPMS

### 6.5.3. ORGANISATIONAL PROGRAMME: Monitoring and Evaluation

The District Municipality has successfully implemented performance management in as far as monitoring of the municipal strategy is concerned but has realized 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 46: Number of EDM Evaluation Reports on Air Quality submitted to the Accounting Officer

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 5 - Manage Performance, Monitoring & Evaluation									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of EDM Evaluation Reports on Air Quality submitted to the Accounting Officer									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Report Evaluation	Number of EDM Evaluation Reports on Air Quality submitted to the Accounting Officer	1 EDM Evaluation Report on Air Quality submitted to the Accounting Officer by 30 June 2024	The Final Evaluation Report was submitted to the Accounting Officer on 4 June 2024 and was presented to the General Managers' Forum meeting that was held on 10 & 11 June 2024 at Graskop.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Organizational Performance Management

**6.6. SO 6 - Manage Organisational Risks and Improve Institutional Development (Result: 3 - Fully Effective)**

**6.6.1. ORGANISATIONAL PROGRAMME: Risk Management and Institutional Development**

This programme focuses on compliance to the legislative and policy framework within which the Municipality is operating. Risk management is a critical area for any organization and should be given the necessary priority and resources to ensure implementation. The mitigation of risks to the organization requires that controls be put in place. The risk monitoring process provides an indication of the effectiveness of such controls.

**Table 47: Number of Risk Management & Fraud Prevention Progress Reports submitted to RFPC**

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 6 - Manage Organisational Risks and Improve Institutional Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Risk Management & Fraud Prevention Progress Reports submitted to RFPC									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Risk Management and Fraud Prevention Progress Reports	Number of Risk Management & Fraud Prevention Progress Reports submitted to RFPC	4 Risk Management & Fraud Prevention Reports submitted by 30 June 2024	4 Risk Management & Fraud Prevention Progress Reports were submitted to the RFPC on 24 August 2023, 02 November 2023, 13 February 2024 and 26 April 2024.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Risk Management

Table 48: Number of Skills Development Programmes implemented in terms of PDPs

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 6 - Manage Organisational Risks and Improve Institutional Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of Skills Development Programmes implemented in terms of PDPs									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
141.67 %		The unit received several requests over and above what had been planned for.		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Implementation of Workplace Skills Plan in terms of the PDPs	Number of Skills Development Programmes implemented in terms of PDPs	24 Skills Development Programmes implemented in terms of PDPs by 30 June 2024	35 Skills Development Programmes were implemented in terms of the PDPs: (1)17th Air Quality Governance Lekgotla for Clean air, (2) Disaster Management Training, (3) GRAP Interactive training, (4) Road to registration for Mature Engineers, Technologists and Technicians Course; (5) Getting acquainted with road construction and road maintenance course; (6) Bi-annual payroll Tax Seminar and (7)Bi-annual Payroll Tax Practical Workshop; (8) GOVTECH Conference, (9) Annual ACFE Africa Conference, (10) International Cartography Conference, (11)Safety Representative OHS/SHEQ, (12) Fire Fighting, (13) First	OPEX R1.006 273	OPEX R1 005 061	The unit received several requests over and above what had been planned for.	None	3 - Fully Effective	SDBIP - Human Resources Management

							<p>Aid, (14) Annual IRMSA Conference, (15) ESRI User Conference, (16) CIGFARO 94th Annual Conference, (17) IMPSA Conference, (18) 6th Local Government and Performance Management Seminar, (19) National Evaluation Seminar, (20) CIGFARO Annual MSCOA Workshop, (21) Annual Municipal Finance Interns Workshop, (22) Payday 2024 - Biannual Payroll Tax Seminar, (23) Payday IRP Workshop, (24) MFMA GRAP and Asset Management, (25) Occupational Certificate, Organisation Risk Practitioner (26) Certificate: Municipal Finance Management Programme, (27) 6th annual Labour Law Seminar, (28) Ghost Employees &amp; Payroll Fraud Conference, (29) CIGFARO, (30) Occupational Health And Safety Training Programme, (31) Accelerating Progress To end TB, (32) ARCGIS Geospatial Intelligence Analysis, (33) WISA 2024 Biannual Conference, (34) ARCGIS Pro Advanced and (35) CIGFARO Young Professional Summit.</p>
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Table 49: Number of reports on the IT Strategy project implementation submitted to the IT Steering committee



PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 6 - Manage Organisational Risks and Improve Institutional Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Number of reports on the IT Strategy project implementation submitted to the IT Steering committee									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance		Result / Trend			
112.50 %		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
IT Strategy Implementation	Number of reports on the IT Strategy project implementation submitted to the IT Steering committee	4 Reports on the IT Strategy project implementation submitted to the IT Steering Committee by 30 June 2024	4 Reports on the IT Strategy Project implementation completed and submitted to the IT Steering Committee Meetings on 03 November 2023, 29th of February 2024, 06 June 2024 and 25 June 2024.	OPEX	OPEX	None	None	 3 - Fully Effective	SDBIP - Information Technology

Table 50: Percentage of qualifying applicants (officials) awarded bursaries in terms of the Bursary Policy for 2024

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 6 - Manage Organisational Risks and Improve Institutional Development									
Key Performance Area									
Institutional Development and Transformation									
Key Performance Indicator									
Percentage of qualifying applicants (officials) awarded bursaries in terms of the Bursary Policy for 2024									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Awarded bursaries for Officials	Percentage of qualifying applicants (officials) awarded bursaries in terms of the Bursary Policy for 2024	100% of qualifying applicants (officials) awarded bursaries for 2024 by 30 June 2024	100% of qualifying applicants (officials) were awarded bursaries for 2024 during a meeting held on 1 February 2024.	OPEX Budget is included in table 29 above.	OPEX Expenditure Is included in table 29 above.	None	None	3 - Fully Effective	SDBIP - Human Resources Management

**6.7. SO 7 - Ensure Prudent Financial Management (Result: 3 - Fully Effective )**

**6.7.1. 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 51: Percentage of Compliance with Budget Legislative Framework (Budget Preparations)**

PERFORMANCE MEASUREMENT INFORMATION									
<b>Strategic Objective</b>									
SO 7 - Ensure Prudent Financial Management									
<b>Key Performance Area</b>									
Financial Viability and Management									
<b>Key Performance Indicator</b>									
Percentage of Compliance with Budget Legislative Framework (Budget Preparations)									
Performance against Target for 2023 - 2024	Mechanism to address Underperformance								
100.00 % None	None								
<b>Project Information</b>									
Details of the projects which are implemented within this programme is reflected underneath:									
Project Name	Indicator	Annual Target for FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	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 2024 (Budget Preparations)	100% compliance with Budget Legislative Framework (Budget Preparations): Budget Process plan for 2024/25 prepared and approved by Council on 29 August 2023, a Draft Budget FY2024/25 approved by Council on 26 March 2024 (A27/2024) and submitted to NT on 27 March 2024 and the Final Budget approved by Council on 15 May 2024 (A37/2024) and submitted to NT on 21 May 2024.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Budget & Reporting

Table 52: Percentage of Compliance with Budget Legislative Framework (Budget Implementation)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 7 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Percentage of Compliance with Budget Legislative Framework (Budget Implementation)									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	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 Budget Legislative Framework by 30 June 2024 (Budget Implementation)	100% compliance with Budget Legislative Framework (Budget Implementation): Final Special Virement Adjustment Budget 2022/23 approved by Council on 29 August 2023 (A88/2023), and the Special Adjustment Budget 2023/24 approved by Council on 29 August 2023 (A87/2023). All expenditures were approved budget as per Section 71 reports for June, July, August, September, October, November, December 2023, January, February, March, April and May 2024. Adjustment budget approved by Council on 27 Feb 2024 (A11/2024)	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Budget & Reporting

Table 53: Percentage of Compliance with Budget Legislative Framework (Budget Reporting)

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 7 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Percentage of Compliance with Budget Legislative Framework (Budget Reporting)									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address underperformance	Year to date Score	Implementing Department
Budget Reporting	Percentage of Compliance with Budget Legislative Framework (Budget Reporting)	100% compliance with Budget Legislative Framework by 30 June 2024 (Budget Reporting)	100% compliance with Budget Legislative Framework (Budget Reporting):12 Section 71 Reports submitted to the Executive Mayor within 10 working days after month end for June, July, August, September, October and November, December, 2023, January, February, March, April and May 2024. 4 Quarterly reports submitted to Council within 30 days after the end of the quarter for June, September and December 2023 and March 2024. 1 Mid-year assessment report submitted to council for 2023/2024.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Budget & Reporting

Table 54: Percentage of implementation of the Financial Support Plan for LMs

PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 7 - Ensure Prudent Financial Management									
Key Performance Area									
Financial Viability and Management									
Key Performance Indicator									
Percentage of implementation of the Financial Support Plan for LMs									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
*Financial Management:	Percentage of Implementation of the Financial Support Plan for LMs	100% implementation of the Financial Support Plan for LMs by 30 June 2024	100% implementation of Financial Support Plan for LMs by 30 June 2024: The Municipal support plan for 2023/24 was developed and approved by the Municipal Manager on 25 July 2023. Provided support to all local municipalities with the AFS Review and District GRAP Training on the 26 & 27 July 2023.	OPEX R11 274 200	OPEX R11 273 233	None	None	3 - Fully Effective	SDBIP - Budget & Reporting

Table 55: Development of the 2022/23 FY Audit Action Plan

PERFORMANCE MEASUREMENT INFORMATION															
<b>Strategic Objective</b>															
SO 7 - Ensure Prudent Financial Management															
<b>Key Performance Area</b>															
Financial Viability and Management															
<b>Key Performance Indicator</b>															
Development of the 2022/23 FY Audit Action Plan															
<b>Performance against Target for 2023 - 2024</b>		100.00 %		<b>Reason for Deviation</b>		None		<b>Mechanism to address Underperformance</b>		None		<b>Result / Trend</b>		3 - Fully Effective	
<b>Project Information</b>															
Details of the projects which are implemented within this programme is reflected underneath:															
Project Name	Indicator	Annual Target for FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department						
Audit Plan	Development of the 2022/23 FY Audit Action Plan	Audit Action Plan for 2022/23 FY developed by 31 January 2024	Audit plan for 2022/23FY was developed and approved by 15 January 2024.	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Budget & Reporting						

Table 56: Number of SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter



PERFORMANCE MEASUREMENT INFORMATION									
Strategic Objective									
SO 7 - 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									
Performance against Target for 2023 - 2024		Reason for Deviation		Mechanism to address Underperformance				Result / Trend	
150.00 %		2 more reports were submitted to Council on the extension of a GIS and the Banking contracts which were separate reports.		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Report on the Implementation of the SCM Policy	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 2024	6 SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2024	OPEX	OPEX	2 more reports were submitted to Council on the extension of a GIS and the Banking contracts which were separate reports.	None	 3 - Fully Effective	SDBIP - Supply Chain Management

Table 57: Number of Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted Council

PERFORMANCE MEASUREMENT INFORMATION									
<b>Strategic Objective</b>									
SO 7 - Ensure Prudent Financial Management									
<b>Key Performance Area</b>									
Financial Viability and Management									
<b>Key Performance Indicator</b>									
Number of Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted Council									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	Details on Performance	Project Budget	Project Expenditure	Reason for Deviation	Mechanism to address under-performance	Year to date Score	Implementing Department
Report on the Implementation of the SCM Policy	Number of Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted to Council	4 Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted by 30 June 2024	4 Reports on the Unauthorised, Irregular, and Fruitless & Wasteful Expenditure were submitted Council by 30 June 2024	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Supply Chain Management

Table 58: Number of Reports on the Implementation of the Procurement Plan submitted to Treasury

PERFORMANCE MEASUREMENT INFORMATION									
<b>Strategic Objective</b>									
SO 7 - Ensure Prudent Financial Management									
<b>Key Performance Area</b>									
Financial Viability and Management									
<b>Key Performance Indicator</b>									
Number of Reports on the Implementation of the Procurement Plan submitted to Treasury									
Performance against Target for 2023 - 2024		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 FY2023 - 2024	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 2024	4 Reports on the Implementation of the Procurement Plan were submitted to Provincial Treasury by 30 June 2024	OPEX	OPEX	None	None	3 - Fully Effective	SDBIP - Supply Chain Management

## 7. 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 59: 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	R248 400	R248 334
	EDM Speakers Forum	R7 130	R7 125
	Moral Regeneration	R284 700	R284 592
	Imimemo	R420 000	R420 000
	Interface with Traditional Leaders	R181 800	R181 740
	Public Participation & Consultation	R489 860	R489 810
	Stakeholder Forum	R235 700	R235 620
MPAC			
	MPAC Oversight	R911 310	R910 923
OFFICE OF THE MAYOR			
	District AIDS Council Meetings	R87 000	R86 980
	Food relief aid for other disasters	R2 250 200	R2 250 128
	Hotspot Outreach programmes	R446 400	R446 400
	State of the District address	R0	R0
CORPORATE SERVICES			
	Employee Assistance Programme (Wellness)	R619 300	R618 382
	Good Governance Forums	R35 500	R34 680
	LG SETA Grant programmes	R59 700	R59700
	Maintenance of Buildings EDM	R4 716 797	R4 716 768
	Upgrade of DMC air-conditioning system	R302 000	R301 847

DEPARTMENT /UNITS	DESCRIPTION and PROJECTS	PROJECT BUDGET	TOTAL ACTUAL EXPENDITURE
TECHNICAL SERVICES			
	Design and construction of street	R146 418	R118 618
	IGR Water Collaboration Forum	R176 173	R176 158
	RRAMS Operational Cost	R34 754	R34 677
ECONOMIC PLANNING & DEVELOPMENT			
	Border post campaigns	R2 600	R2 550
	Cooperatives Engagements	R34 214	R33 985
	District LED Forum	R5 670	R0
	Economic Growth Cluster	R11 820	R11 820
	EPWP Forum	R51 202	R49 300
	Purchase by-law enforcement equipment	R1	R0
	Tourism Indaba	R162 100	R162 087
SOCIAL SERVICES			
	Civil Society Forum	R93 200	R92 058
	Disability Forum Meetings	R169 500	R169 052
	District AIDS Council Technical Forum	R86 495	R86 495
	HIV & TB implementation plan	R27 000	R26 050
	Learner to student support	R11 900	R11 850
	SA youth council project	R232 750	R232 750
	Social cluster meetings	R55 100	R55 100
	Sports development programmes	R289 850	R288 718
	Ward AIDS Council Training	R107 200	R107 100
	Women's Council Meetings	R57 280	R57 245
	World TB day	R53 500	R52 600

DEPARTMENT /UNITS	DESCRIPTION and PROJECTS	PROJECT BUDGET	TOTAL ACTUAL EXPENDITURE
COMMUNITY SERVICES			
	Communicable diseases control	R143 200	R143 132
	CPD accredited workshops	R18 000	R17 974
	Disaster Management Emergency Relief	R1 644 904	R1 644 904
	Disaster Volunteer training & uniform	R185 100	R184 893
	Disaster Management Advisory Forum	R32 100	R30 950
	EM Inspection uniform	R187 340	R187 308
	Environmental Management forum	R110 800	R110 800
	Food control Awareness_ MH	R174 586	R174 535
	Food control forum	R115 530	R115 400
	Global handwash	R102 600	R102 600
	Integrated Environmental Management Cluster	R40 581	R39 959
	Management of Human Remains Forum	R99 500	R99 485
	Public safety	R25 550	R24 760
	Vector control	R194 550	R194 500
OFFICE OF THE MUNICIPAL MANAGER			
	Audit Committee	R478 900	R478 710
	Municipal Manager Meetings	R46 000	R45 969
	OPM Technical support	R2 040	R2 030
	QPR Maintenance and Support	R42 300	R42 240
	Risk Assessment Workshop	R62 745	R61 414
	Risk Committee and Forum Meetings	R30 000	R28 877

DEPARTMENT /UNITS	DESCRIPTION and PROJECTS	PROJECT BUDGET	TOTAL ACTUAL EXPENDITURE
	Security Awareness	R25 000	R24510
	Stakeholders support programme	R362 040	R361 917
STRATEGIC SERVICES			
	Benchmarking	R739	R0
	Community surveys	R0	R0
	District Development Model Forums	R0	R0
	GIS and Committee meetings	R32 900	R31 811
	GIS Awareness Campaigns	R98 800	R97 798
	GIS Data Collection	R0	R0
	GIS Support to LM's	R165 900	R165 899
	IDP framework programmes	R7 000	R6 200
	IDP Managers Forum	R23 600	R23 540
	IDP Mayoral Lekgotla	R29 700	R29 640
	IDP Municipal support	R40 500	R0
	IDP planning Forum	R28 500	R28 435
	IGR Forum meetings	R47 000	R43 335
	In depth studies	R0	R0
	Research Seminar	R200	R0
	Reviewal of GIS Strategy	R300 100	R300 033

## 8. Conclusion

The performance of the District Municipality as at the year-end of the FY2023/2024 can be summarized as follows:

The Municipality has 7 (seven) strategic objectives, of which the average performance on 1 (one) was below the required level as at the end of the financial year:

- SO 5 -Manage performance monitoring and evaluation

The average performance on strategic objective 2 - Deliver Services and implement projects in line with the mandate of EDM - is Fully effective, although an underperformance was reported on two key performance indicators. This can be ascribed to certain indicators aligned to the strategic objective showing an overperformance.

The total number of key performance indicators are 53 (fifty-three), of which the Municipality was underperforming on 4 (four). This implies that 92% of indicators are on track.

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

**Table 60: Challenges and recommendation**




Challenge / Concern	Comment	Recommendation
Underperformance due to an adjustment of scope and/or unforeseen circumstances and possible failure to adjust the SDBIP in line with the new scope	<p>Indicators affected are the following:</p> <ul style="list-style-type: none"> <li>i) Number of illegal dumping sites cleared and rehabilitated,</li> <li>ii) Completion of the EDM Municipal Building upgrades by a specific date,</li> <li>iii) Number of Wastewater Treatment works refurbished (Lydenburg WWTW Phase 1),</li> <li>iv) Number of boreholes drilled and equipped in Lihawu by a specific date.</li> <li>v) Number of booster pump stations refurbished by a specific date.</li> <li>vi) Completion and upgrade of existing 20ML/d plant to a 30 ML/d plant module by a specific date</li> </ul>	<ul style="list-style-type: none"> <li>i) Any changes in the scope of projects being implemented be taken into consideration during the adjustment of the SDBIP,</li> <li>ii) Detail design and costing be undertaken during the project planning phase in order to determine exact costing prior to budget approval,</li> <li>iii) A condition be included in the Procurement Policy to address the possible financial risk of underquoting,</li> <li>iv) Strict adherence to the General Conditions of contract be applied in project management, and</li> <li>v) Roll-overs be applied for to allow for completion of projects the FY2024/25.</li> </ul>
Processes and meetings being delayed due to non-availability of role players	<p>Indicators affected are the following:</p> <ul style="list-style-type: none"> <li>i) Completion of the 2022/23 Financial Year IPMS performance appraisal.</li> <li>ii) Number of quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted.</li> </ul>	<ul style="list-style-type: none"> <li>i) a) The IPMS-processes of the FY2022/23 – together with the IPMS-processes for FY2023/24 - to be concluded before 31 December 2024;</li> <li>b) The IPMS-policy currently being reviewed be diligently applied in the FY2024/25 to allow for a deduction in the performance score in cases of reporting and appraisal processes not meeting the set time frames;</li> <li>ii) a) The performance appraisals of the Municipal Manager and the General Managers outstanding from the FY2023/24 to be completed before or on the end of September 2024</li> </ul>







		<p>b) In terms of the appraisals of the Municipal Manager and the General Managers to be done for the FY2024/25 and thereafter, the performance appraisals for quarters 1 to 3 are to be done within six weeks after the end of the quarters,</p> <p>c) The Annual Performance Appraisals of the Municipal Manager and the General Managers are to be done not later than the end of the third quarter. (These appraisals can only be finalized after the audit of the APR and the AFS is concluded by the Auditor-General.)</p>
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**Annexure A: Performance Comparison to the previous Financial Year**







Section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000) requires that the performance report to be prepared for each financial year needs to reflect a comparison of the performance of the Municipality for the financial year under review with targets set for and performance in the previous financial year. The annexure to the report contains a comparison of the targets set and performance on the key performance indicators of the FY2022/23 and the targets set and performance on the key performance indicators for the year under review, which is the FY2023/24.

**COMPARISON OF PERFORMANCE TARGETS AND ACTUAL PERFORMANCE OF THE FY2022/23 AND FY2023/24**

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Approval of the Reviewed IDP for 2023 / 2024 FY by a Specific Date	Approval of the Reviewed IDP for 2023/24 FY by 31 May 2023	The final reviewed IDP FY2023/24 was approved by council on 25 May 2023 under council resolution A43/2023. 	Approval of the reviewed IDP for 2024/25 FY by a specific date	Approval of the Reviewed IDP for 2024/25 FY by 31 May 2024	The final reviewed IDP FY2024/25 was approved by Council on 15 May 2024, under council resolution no A36/2024 
District Sanitation Master Plan Compiled by 30 June 2023	District Sanitation Master Plan Compiled by 30 June 2023	The procurement process for the District Sanitation Master Plan has commenced in September 2022 and the bids were found to be non-responsive in February 2023. Re-advertisement of the tender process was initiated, and the project was cancelled in May. 	Not Applicable	Not Applicable	Not Applicable

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Completion of the Infrastructure Security Assessment Report / Study for Thaba Chweu Infrastructure (WTW & WWTW) by a specific date	Infrastructure Security Assessment Report / Study for Thaba Chweu Infrastructure (WTW & WWTW) Completed by 30 June 2023	The Infrastructure Security Assessment Report / Study for Thaba Chweu Infrastructure (WTW & WWTW) was completed by 30 March 2023 	Number of Basic Infrastructure Business Plans developed by a specific date		
Number of Roads & Stormwater and Water Improvement Plans developed and submitted to MIG	3 Roads & Stormwater and Water Improvement Plans developed and submitted to MIG by 30 June 2023	Two Roads & Stormwater Improvement plans (the Viljoen street culvert bridge in TCLM and Schoemansdal access bridge in NLM) and one Water improvement plan (Sibange water reticulation in NLM) were developed by 30 June 2023 		5 Basic Infrastructure Business Plans developed by 30 June 2024	6 Basic Infrastructure business plans were developed by 30 June 2024. For Thaba Chweu LM and City of Mbombela LM. 
Completion of the Situational Analysis Report for the Environmental Management Framework by a specific date	Situational analysis report for the Environmental Management Framework completed by 30 June 2023	The Situational Analysis Report for the Environmental Management Framework was not completed as planned 	Not Applicable	Not Applicable	Not Applicable
Number of EDM Protected Area Expansion Strategies Developed and Approved by Council	1 EDM Protected Area Expansion Strategy Developed and Approved by Council by 30 June 2023	The EDM Protected Area Expansion Strategy was not Developed and Approved by Council. 	Not Applicable	Not Applicable	Not Applicable
Review of the Integrated Waste Management Plan and Submission to MEC for MDARDLEA by a specific date	Integrated Waste Management Plan Reviewed and Submitted to MEC for MDARDLEA by 30 June 2023	The Final draft of the reviewed IWMP has been developed by 30 June 2023 	Not Applicable	Not Applicable	Not Applicable

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Not Applicable	Not Applicable	Not Applicable	Completion of the Situational Analysis Report for EDM LAB Accreditation by a specific date	Situational Analysis Report for EDM LAB Accreditation completed by 30 June 2024	The situational Analysis Report for EDM LAB Accreditation was completed on 21 June 2024. 
Not Applicable	Not Applicable	Not Applicable	Completion of Purchase & Handover of water quality testing equipment by a specific date	Purchase and handover of water quality testing equipment by 30 June 2024	The Purchase and handover of water quality testing equipment for Thaba Chweu Local Municipality was completed on 27 March 2024. 
Not Applicable	Not Applicable	Not Applicable	Completion of the Supply & Delivery of Materials & Small Plant to LMs for patching potholes by a specific date	Supply & Delivery of Materials & Small Plant to LMs for patching potholes completed by 30 June 2024	The Supply and Delivery of Materials and Small Plant to LMs for patching potholes was completed on 25 June 2024 
Not Applicable	Not Applicable	Not Applicable	Completion of the Purchase & Handover of Materials for refurbishment of high mast lights in Nkomazi by a specific date	Purchase and Handover of materials for refurbishment of high mast lights in Nkomazi completed by 30 June 2024	The Purchase and Handover of materials for refurbishment of high mast lights in Nkomazi Local Municipality was completed on 19 October 2023. 
Not Applicable	Not Applicable	Not Applicable	% of WWTW construction work completed by a specific date - Civil Works (Lydenburg WWTW-2A)	20% of WWTW construction work completed by 30 June 2024	30% construction work for the construction of the WWTW Phase 2A Civil Works completed by 30 June 2024 











FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Number of Disaster Risk Management and Public Safety Awareness Campaigns Held	4 Disaster Risk Management and Public Safety Awareness Campaigns Held by 30 June 2023	4 Disaster Risk Management and Public Safety awareness campaigns were held by 30 June 2023: 	Number of Disaster Risk Management and Public Safety awareness campaigns held	4 Disaster Risk Management and Public Safety awareness campaigns held by 30 June 2024	5 Disaster Risk Management and Public Safety awareness campaigns were held by 30 June 2024 
Number of Microbiological and Chemical Samples Analysed	400 Microbiological & 20 Chemical Samples Analysed by 30 June 2023	A total number of 480 Microbiological samples were analysed and 40 Chemical samples have been analysed by 30 June 2023. 	Number of Microbiological & Chemical samples analysed	400 Microbiological & 20 Chemical samples analysed by 30 June 2024	531 microbiological samples and 29 chemical samples were analysed by 30 June 2024 
Number of Inspections Conducted on Accommodation Establishments	68 Inspections conducted on Accommodation Establishment by 30 June 2023	91 Inspections on Accommodation Establishments were conducted by 30 June 2023. 	Number of Inspections on Accommodation Establishments conducted	40 Inspections conducted on Accommodation Establishments by 30 June 2024	68 Inspections on Accommodation Establishments were conducted by 30 June 2024 
Number of Inspections Conducted on Schools Facilities	83 Inspections Conducted on School Facilities by 30 June 2023	110 Inspections on School Facilities were conducted by 30 June 2023. 	Number of Inspections on School Facilities conducted	60 Inspections conducted on School Facilities by 30 June 2024	146 Inspections on school facilities were conducted by 30 June 2024 
Number of Inspections Conducted on Clinic Facilities	63 Inspections conducted on Clinic Facilities by 30 June 2023	68 Inspections on Clinic Facilities were conducted by 30 June 2023. 	Number of Inspections on Clinic Facilities conducted	40 Inspections conducted on Clinic Facilities by 30 June 2024	49 Inspections on Clinic facilities were conducted by 30 June 2024 
Number of Inspections Conducted on Hospital Facilities	23 Inspections Conducted on Hospital Facilities by 30 June 2023	28 Inspections on Hospital Facilities were conducted by 30 June 2023. 	Number of Inspections on Hospital Facilities conducted	20 Inspections conducted on Hospital Facilities by 30 June 2024	25 Inspections on Hospital Facilities inspections were conducted by 30 June 2024 
Number of Inspections Conducted on Food Premises	477 Inspections Conducted on Food Premises by 30 June 2023	665 Inspections on Food Premises were conducted by 30 June 2023. 	Number of Inspections on Food Premises conducted	400 Inspections conducted on Food premises by 30 June 2024	650 Inspections on food premises were conducted by 30 June 2024 

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Number of Inspections Conducted on Funeral Undertaker Facilities	107 Inspections conducted on Funeral Undertaker Facilities by 30 June 2023	109 Inspections on Funeral Undertaker Facilities were conducted by 30 June 2023. 	Number of Inspections on Funeral Undertaker Facilities conducted	80 Inspections conducted on Funeral Undertaker Facilities by 30 June 2024	95 Inspections on funeral undertaker's facilities were conducted by 30 June 2024 
Number of Illegal Dumping Sites Cleared and Rehabilitated	12 Illegal Dumping Sites Cleared and 5 Rehabilitated	8 illegal dumping sites were cleared by 30 June 2023 	Number of Illegal Dumping Sites Cleared and Rehabilitated and Working tools for waste collectors delivered by a specific date	3 illegal dumping sites cleared and rehabilitated and working tools for waste collectors delivered by 30 June 2024	2 illegal dumping sites were cleared and 1 site was rehabilitated in June 2024 at Nkomazi Local Municipality. Working tools (10 Waste Tricycles) for waste recyclers were delivered to all Local Municipalities on 10 April 2024 at EDM. 
Number of Portable Recycling Stations Installed	10 Portable Recycling Stations Installed by 30 June 2023	10 portable recycling stations were installed on 10 March 2023 	Purchase and delivery of skip bins for two Local Municipalities	Purchase and delivery of skip bins for 2 Local Municipalities completed by 30 June 2024	The Purchase and delivery of skip bins for 3 local municipalities (TCLM, BLM and COMLM) was completed by 30 June 2024 
Number of Technical Services Projects Completed	5 Technical Services projects completed by 30 June 2023	2 out of 5 planned projects have been implemented as planned 	Number of Technical Services Projects Completed	18 Technical Services projects completed by 30 June 2024	13 out of 18 technical projects were implemented as planned. 
Number of Work Opportunities Created through EDM Sector-based Skills Development Programme and Parks Cleaning Programme	120 Work opportunities created through the EDM Sector-based Skills Development Programme and Parks Cleaning Programme by 30 June 2023	157 Work opportunities were created as follows: 47 through the Parks Cleaning Programme and 110 through the EDM Sector-Based Skills Development Programme by 30 June 2023. 	Number of Work opportunities created through the EDM Sector-based Skills Development Programme and Parks Cleaning Programme	150 Work opportunities created through the EDM Sector-based Skills Development Programme and Parks Cleaning Programme by 30 June 2024	184 Work opportunities were created through the EDM Sector-based Skills Development (138) and Parks Cleaning Programme (46) by 30 June 2024. 
Number of SMME's / Cooperatives Benefiting from Mentorship Programmes	6 SMMEs/Cooperatives benefiting from mentorship programmes by 30 June 2023	6 SMMEs/Cooperatives benefited from mentorship programmes by 30 June 2023 	Number of Emerging & Start-up Businesses/Cooperatives benefiting from mentorship programme	6 Emerging & Start-up Businesses/Cooperatives benefiting from mentorship programme by 30 June 2024	6 Emerging & Start-up Businesses/Cooperatives benefited from the mentorship programme by 30 June 2024. 





FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
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 2023	2 Small Scale Farmers (Ngungwane primary cooperative and Nkabo water technologies) were supported and conducted an Assessment for CSK agricultural group by 30 June 2023	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 2024	4 Small Scale Farmers were supported by means of a structured support programme by 30 June 2024.
Number of Households Supported in terms of Food Production and Rainwater Harvesting Equipment	200 Households supported in terms of food production and Rainwater Harvesting Equipment by 30 June 2023 (100 in Bushbuckridge and 100 in Umjindi Trust)	200 Households were supported in terms of food production and Rainwater Harvesting by 30 June 2023	Number of Households supported in terms of food production in Bushbuckridge LM and City of Mbombela LM (Training/Purchase of tools of trade/Monitoring)	200 Households in Bushbuckridge LM & City of Mbombela LM supported (Training/Purchase of tools of trade/Monitoring) in terms of food production by 30 June 2024	200 Households in Bushbuckridge LM & City of Mbombela LM were supported (Training/Purchase of tools of trade/Monitoring) in terms of food production by 30 June 2024
Number of Guesthouses Supported on Grading Requirements, Marketing, Skills Development, HR and Service Standards	20 Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards by 30 June 2023	14 Guesthouses were supported on grading requirements, Marketing and HR by 30 June 2023	Number of Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards	10 Guesthouses supported on grading requirements, Marketing, Skills Development, HR and Service Standards by 30 June 2024	11 Guesthouses were supported on grading requirements, Marketing, Skills Development, HR and Service Standards by 30 June 2024.
Not Applicable	Not Applicable	Not Applicable	Number of Trade & Investment promotion events participated in for promotion and marketing of the district	2 Trade & Investment promotion events participated in for promotion and marketing of the district by 30 June 2024	2 Trade & Investment promotion events were participated in for promotion and marketing of the district by 30 June 2024. Camping and Caravan Show from 23 to 25 February 2024 and World Travel Market from 10 to 13 April 2024.

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Not Applicable	Not Applicable	Not Applicable	Number of LTO/RTO/SOE supported with tourism development & promotion.	5 LTO/RTO/SOE supported with tourism development & promotion by 30 June 2024	5 LTO / RTO / SOE were supported with tourism development & promotion.
Finalisation of Awarding Bursaries for 2023 to Students by the Bursary Committee	Bursaries to Students for 2023 Finalised & Awarded by the Bursary Committee by 30 June 2023	The Awarding of Bursaries to students was finalized by the Bursary Committee on 25 January 2023.	Finalisation of awarding bursaries for 2024 to students by the Bursary Committee by a specific date	Bursaries to students for 2024 finalised & awarded by the Bursary Committee by 30 June 2024	Bursaries to qualifying students for 2024 were finalized and awarded by the Bursary Committee on 13 February 2024.
Number of Children's Rights Projects Implemented	3 Children's Rights Projects implemented by 30 June 2023	3 Children's rights projects were implemented by 30 June 2023.	Number of Transversal Projects implemented	17 Transversal Projects implemented by 30 June 2024	17 Transversal projects were implemented by 30 June 2024
Number of Disability Projects Implemented	3 Disability Projects to be implemented by 30 June 2023	2 Disability Projects were implemented by 30 June 2023			
Number of District Positive Living Conventions Held	1 District Positive Living Convention held by 30 June 2023	1 Positive Living Convention was held in Bushbuckridge Local Municipality on 24 May 2023 at Cosa Da Sol River Side Lodge.			
Number of GBVF Projects Implemented	2 GBVF Projects implemented by 30 June 2023	4 GBVF projects were implemented by 30 June 2023			
Number of Integrated Care and Support Operations Held (Jamboree)	1 Integrated Care and Support Operation (Jamboree) held by 30 June 2023	1 Integrated Care and Support Operation (Jamboree) was held on 9 June 2023 at Elandshoek Community Hall			
Number of Sports Development Projects Conducted	2 Sports Development Projects to be conducted by 30 June 2023	2 Sports Development Projects were implemented by 30 June 2023			
Number of Youth Projects Implemented	2 Youth Projects to be implemented by 30 June 2023	2 Youth Projects were implemented by 30 June 2023			
Number of Mayoral Outreach Projects held	3 Mayoral Outreach Projects held by 30 June 2023	4 Mayoral Outreach projects were held by 30 June 2023.			

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Number of World AIDS Days Held	1 World AIDS Day event held by 30 June 2023	1 Ehlanzeni District World AIDS Day held in partnership with Nkomazi Local Municipality by 30 June 2023	Not Applicable	Not Applicable	Not Applicable
Number of World AIDS Days Held	1 World AIDS Day event held by 30 June 2023	1 Ehlanzeni District World AIDS Day held in partnership with Nkomazi Local Municipality by 30 June 2023	Not Applicable	Not Applicable	Not Applicable
Not Applicable	Not Applicable	Not Applicable	Number of Chief Whip Outreach Projects held	4 Chief Whip Outreach Project implemented by 30 June 2024	4 Chief Whip Outreach projects were held by 30 June 2024.
Number of Meetings Held by the IDP Representative Forum	2 Meetings Held by the IDP Representative Forum by 30 June 2023	3 IDP Representative forums were held as follows: on 01 December 2022, 19 April 2023 and 16 May 2023.	Number of meetings held by the IDP Representative Forum	2 Meetings held by the IDP Representative Forum by 30 June 2024	2 IDP & Budget Representative Forum meetings were held on 21 November 2023 and 02 May 2024, via the virtual Platform
Number of DDM Council Meetings Held	4 DDM Council Meetings Held by 30 June 2023	4 DDM Council meetings were held: On 17 August 2022, 10 November 2022, 11 February 2023 and 17 February 2023	Number of DDM Council meetings held	4 DDM Council meetings held by 30 June 2024	4 DDM Council meetings were held; on 29 September 2023, on 21 November 2023, 29 February 2024 and on 20 March 2024, via the virtual platform.
Number of DDM Technical Meetings Held	4 DDM Technical Meetings Held by 30 June 2023	4 DDM Technical meetings were held as follows: on 6 September 2022, 13 January, 23 January and 13 April 2023	Number of DDM Technical Meetings Held	4 DDM Technical meetings held by 30 June 2024	4 DDM Technical meetings were held on 06 September 2023, 14 November 2023, 14 February 2024 and 13 June 2024


FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Final & Approved Annual Report printed & sent to relevant offices (2021/22 FY Annual Report)	Final & Approved Annual Report printed & distributed by 30 April 2023 (2021/22 FY Annual Report)	The Final Annual report was approved on 29 March 2023 Council resolution no. A28/2023 and distributed to relevant offices on 5 April 2023. 	Final & Approved Annual Report printed & sent to relevant offices (2022/23 FY Annual Report)	Final & Approved Annual Report printed & distributed by 30 April 2024 (2022/23 FY Annual Report)	The final and approved annual report (Council Resolution no B4/2024) was printed and distributed to the relevant offices by 30 April 2024. 
Not Applicable	Not Applicable	Not Applicable	Number of Siya Deliver Manje newspapers published	4 Siya Deliver Manje newspapers were published by 30 June 2024	4 Siya Deliver Manje newspapers were published by 30 June 2024 
Number of Media Awareness Campaigns Held	12 Media Awareness Campaigns Held through Any Media Platform by 30 June 2023	12 Media awareness Campaigns were held through Facebook platform by 30 June 2023 	Number of Media Awareness Campaigns held	12 Media Awareness Campaigns held through any media platform by 30 June 2024	12 Media Awareness Campaigns were held by 30 June 2024 
Number of Speaker's Outreach Programmes Held	4 Speaker's Outreach Programmes Held by 30 June 2023	4 Speakers Outreach programmes were held by 30 June 2023 	Number of Speaker's Outreach projects held	4 Speaker's Outreach Projects held by 30 June 2024	4 Speakers Outreach programmes were held by 30 June 2024 
Not Applicable	Not Applicable	Not Applicable	Number of Mayoral Imbizo's held	2 Mayoral Imbizo's held by 30 June 2024	2 Mayoral Imbizos were held; on 10 November 2023, at Tekwane South and on 17 May 2024 at Ward 4 Spelanyane in the City of Mbombela Local Municipality. 
Number of Articles Featuring EDM Published	6 Articles featuring EDM published by 30 June 2023	11 Articles featuring EDM were published by 30 June 2023 	Not Applicable	Not Applicable	Not Applicable
Number of Consultation Sessions with Traditional Councils Conducted	4 Consultation sessions with Traditional Councils conducted by 30 June 2023	5 Consultations Sessions with Traditional Councils were held by 30 June 2023 	Not Applicable	Not Applicable	Not Applicable

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
SDBIP for 2023 / 2024 Signed Off by the Executive Mayor within 28 days after the Approval of the Budget	SDBIP for the FY 2023 / 2024 to be Signed Off by the Executive Mayor within 28 days after the Approval of the Budget	SDBIP for the FY 2023 / 2024 was signed off by the Executive Mayor on 22 June 2023 within 28 days after the Approval of the Budget on 25 May 2023.	SDBIP for FY2024/25 signed off by the Executive Mayor within 28 days after the approval of the budget	SDBIP for the FY2024/25 to be signed off by the Executive Mayor within 28 days after the approval of the budget	The SDBIP for the FY2024/25 was signed off by the Executive Mayor on 12 June 2024. The signing was done within the 28-day period after the approval of the budget under item A37/2024 on 15 May 2024.
Number of Organisational Performance Reviews Conducted	4 Organisational Performance Reviews Conducted by 30 June 2022	4 Organisational Performance Reviews were conducted by 30 June 2023	Number of organisational performance reviews conducted	4 Organisational performance reviews conducted by 30 June 2024	4 Organisational performance reviews were done: the Annual Performance Review for the FY2022/23, the first Quarter Performance Review for the FY2023/24, the Mid Term Budget and Performance Review for the FY2023/24 and the Third quarter performance review for the FY2023/24.
Number of Quarterly Performance Assessments of the Municipal Manager and Section 56 Managers Conducted	4 Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers Conducted by 30 June 2023	4 Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers were conducted by 30 June 2023.	Number of quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted	4 Quarterly Performance Assessments of the Municipal Manager and the Section 56 Managers conducted by 30 June 2024	Three quarterly performance assessments of the General Managers were done: the assessment for the third quarter of the FY2022/23, the first quarter of the FY2023/24 and the Annual Performance for the FY2022/23
Not Applicable	Not Applicable	Not Applicable	Completion of the 2022/23FY IPMS performance appraisal	IPMS Performance Appraisal for 2022/23 FY completed by 31 December 2023	IPMS Performance Appraisal for 2022/23 FY was not completed by 31 December 2023

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Not Applicable	Not Applicable	Not Applicable	Number of EDM Evaluation Reports on Air Quality submitted to the Accounting Officer	1 EDM Evaluation Report on Air Quality submitted to the Accounting Officer by 30 June 2024	The Final Evaluation Report was submitted to the Accounting Officer on 4 June 2024 and was presented to the General Managers' Forum meeting that was held on 10 & 11 June 2024 at Graskop.
Number of Project Verifications Conducted	4 Project Verifications Conducted by 30 June 2023	4 Project verifications were conducted by 30 June 2023 	Not Applicable	Not Applicable	Not Applicable
Percentage of IPM Contracts to be signed by all Employees	100% of IPM Contracts to be signed by all Employees before 31 August 2022 (New employees - within 60 days)	100% Workplans and Contracts were submitted and signed by all Employees before 31 August 2022 and New employees - within 60 days of appointment	Not Applicable	Not Applicable	Not Applicable
Not Applicable	Not Applicable	Not Applicable	Number of Risk Management & Fraud Prevention Progress Reports submitted to RFPC	4 Risk Management & Fraud Prevention Progress Reports submitted to RFPC by 30 June 2024	4 Risk Management & Fraud Prevention Progress Reports were submitted to the RFPC on 24 August 2023, 02 November 2023, 09 February 2024 and 26 April 2024. 
Number of Skills Development Programmes Implemented in terms of PDP's	24 Skills Development Programmes Implemented in terms of PDPs by 30 June 2023	30 Skills Development Programmes were implemented by 30 June 2023 	Number of Skills Development Programmes implemented in terms of PDPs	24 Skills Development Programmes implemented in terms of PDPs by 30 June 2024	35 Skills Development Programmes were implemented in terms of the PDPs by 30 June 2024. 
Not Applicable	Not Applicable	Not Applicable	Number of reports on the IT Strategy project implementation submitted to the IT Steering committee	4 Reports on the IT Strategy project implementation submitted to the IT Steering Committee by 30 June 2024	4 Reports on the IT Strategy Project Implementation complied and submitted to the IT Steering Committee Meetings on 03

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
					November 2023, 29th of February 2024, 06 June 2024 and 25 June 2024.
Percentage of Qualifying Applicants (Officials) Awarded Bursaries in terms of the Bursary Policy for 2023	100% of Qualifying Applicants (Officials) Awarded Bursaries for 2023 by 30 June 2023	100% of qualifying applicants awarded bursaries by the Bursary Committee on 19 January 2023.	Percentage of qualifying applicants (officials) awarded bursaries in terms of the Bursary Policy for 2024	100% of qualifying applicants (officials) awarded bursaries for 2024 by 30 June 2024	100% of qualifying applicants (officials) were awarded bursaries for 2024 during a meeting held on 1 February 2024.

Percentage Implementation of Quarterly Risk Mitigation Strategies	90% Implementation of Quarterly Risk Mitigation Strategies by 30 June 2023	83.91% (73/87) Risk Mitigation Strategies were implemented by 30 June 2023	Not Applicable	Not Applicable	Not Applicable
Completion of the Organisational Work Study by a Specific Date and Approval by Council	Organisation Work Study Completed and Approved by Council by 30 June 2023	The Organisational Work-study programme has been concluded, the draft final report has been prepared and served in the Work-study Steering Committee on 30 June 2023.	Not Applicable	Not Applicable	Not Applicable
Percentage of Compliance with Budget Legislative Framework (Budget Preparations)	100% Compliance with Budget Legislative Framework by 30 June 2023 (Budget Preparations)	100% Compliance with Budget Legislative Framework (Budget Preparations) by 30 June 2023	Percentage of Compliance with Budget Legislative Framework (Budget Preparations)	100% compliance with Budget Legislative Framework by 30 June 2024 (Budget Preparations)	100% compliance with Budget Legislative Framework (Budget Preparations) by 30 June 2024
Percentage of Compliance with Budget Legislative Framework (Budget Implementation)	100% Compliance with Budget Legislative Framework by 30 June 2023 (Budget Implementation)	100% Compliance with Budget Legislative Framework (Budget Implementation) by 30 June 2023	Percentage of Compliance with Budget Legislative Framework (Budget Implementation)	100% compliance with Budget Legislative Framework by 30 June 2024 (Budget Implementation)	100% compliance with Budget Legislative Framework (Budget Implementation) by 30 June 2024

FY2022/23			FY2023/24		
KPI	TARGET	PERFORMANCE	KPI	TARGET	PERFORMANCE
Percentage of Compliance with Budget Legislative Framework (Budget Reporting)	100% Compliance with Budget Legislative Framework by 30 June 2023 (Budget Reporting)	100% Compliance with Budget Legislative Framework by 30 June 2023 (Budget Reporting). 	Percentage of Compliance with Budget Legislative Framework (Budget Reporting)	100% compliance with Budget Legislative Framework by 30 June 2024 (Budget Reporting)	100% compliance with Budget Legislative Framework (Budget Reporting) by 30 June 2024 
Percentage of Implementation of the Financial Support Plan for LM's	100% Implementation of the Financial Support Plan for LMs by 30 June 2023	100% implementation of the Financial Support Plan for LMs by 30 June 2023 	Percentage of implementation of the Financial Support Plan for LMs	100% implementation of the Financial Support Plan for LMs by 30 June 2024	100% implementation of the Financial Support Plan for LMs by 30 June 2024: 
Development of the 2021 / 2022 FY Audit Action Plan	Audit Action Plan for 2021/22 FY Developed by 25 January 2023	The 2021/22FY Audit Action Plan was developed and approved by the Municipal Manager on 13 January 2023. 	Development of the 2022/23 FY Audit Action Plan	Audit Action Plan for 2022/23 FY developed by 31 January 2024	Audit Action plan for 2022/23FY was developed and approved by 15 January 2024 
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 2023	4 SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2023. 	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 2024	6 SCM Reports submitted to the Executive Mayor within 10 working days after the end of each quarter by 30 June 2024 
Number of Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure Submitted to Council	4 Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure Submitted Council by 30 June 2023	4 Reports on the Unauthorised, Irregular, and Fruitless & Wasteful Expenditure were submitted to Council by 30 June 2023. 	Number of Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted Council	4 Reports on the Unauthorised, Irregular, Fruitless & Wasteful Expenditure submitted Council, by 30 June 2024	4 Reports on the Unauthorised, Irregular, and Fruitless & Wasteful Expenditure were submitted Council by 30 June 2024 
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 2023	4 Reports on the Implementation of the Procurement Plan were submitted to Provincial Treasury by 30 June 2023. 	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 2024	4 Reports on the Implementation of the Procurement Plan were submitted to Provincial Treasury by 30 June 2024 

**Annexure B: General Key Performance Indicators to be reflected in the Annual Report in terms of the Local Government: Municipal Planning and Performance Management Regulations (No 796, 24 August 2001)**

Section 10 of the Local Government: Municipal Planning and Performance Management Regulations (No 796, 24 August 2001) prescribes a number of general key performance indicators in terms of Section 43 of the Municipal System Act, 2000 (Act 32 of 2000 as amended). Section 43 is quoted hereunder for easy reference:

43. (1) The Minister, after consultation with the MECs for local government and organised local government representing local government nationally may
- (a) by regulation prescribe general key performance indicators that are appropriate and that can be applied to local government generally; and
  - (b) when necessary, review and adjust those general key performance indicators.
- (2) Key performance indicators set by a municipality must include any general key performance indicators prescribed in terms of subsection (1) to the extent that these indicators are applicable to the municipality concerned.

The following table contains the prescribed key performance indicators and indicate those which are of relevance to Ehlanzeni District Municipality:

Nr	KEY PERFORMANCE INDICATOR	RELEVANT TO EDM
(a)	The percentage of households with access to basic level of water. Sanitation, electricity and solid waste removal	Not relevant
(b)	The percentage of households earning less than R1100 per month with access to free basic services	Not relevant
(c)	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	Relevant
(d)	The number of jobs created through the municipality's local economic development initiatives including capital projects	Relevant
(e)	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Relevant
(f)	The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and	Relevant
(g)	Financial viability expressed by the following ratios:	
(g)(i)	$A = \frac{B - C}{D}$ <p>where</p> <p>"A" represents debt coverage,</p> <p>"B" represents total operating revenue received,</p> <p>"C" represents operating grants and</p> <p>"D" represents debt service payments (i.e. interest + redemption) due within the financial year</p>	Relevant
(g)(ii)	$A = \frac{B}{C}$ <p>Where</p> <p>"A" represents outstanding service debtors to revenue,</p> <p>"B" represents total outstanding service debtors,</p>	Not relevant

Nr

KEY PERFORMANCE INDICATOR

RELEVANT TO  
EDM

“C” represents annual revenue actually received for services

(g)(iii) 
$$A = \frac{B + C}{D}$$

Relevant

Where

“A” represents cost coverage

“B” represents all available cash at a particular time

“C” represents investments, and

“D” represents monthly fixed operational expenditure

The current status of these general key performance indicators is reflected in the table underneath:

**KEY PERFORMANCE  
INDICATOR**

**CURRENT STATUS OF GENERAL KEY PERFORMANCE INDICATOR**

The percentage of a municipality’s capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality’s integrated development plan

75,3% of the capital budget of Ehlanzeni District Municipality was spent on capital projects identified for the financial year 2023/24 in terms of the municipality’s integrated development plan

The number of jobs created through the municipality’s local economic development initiatives including capital projects

184 jobs were created through the municipality’s local economic development initiatives, including capital projects, for the FY2023/24

The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan

The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan is as follows:

**TOP MANAGEMENT**

MALE				FEMALE				DISABLE D
AFRICA N	COLOURED	INDIA N	WHIT E	AFRICA N	COLOURED	INDIA N	WHIT E	
3	0	0	0	3	0	0	0	0

**SENIOR MANAGEMENT**

MALE				FEMALE				DISABLE D
AFRICA N	COLOURED	INDIA N	WHIT E	AFRICA N	COLOURED	INDIA N	WHIT E	
6	0	0	4	8	1	0	1	0

**MANAGEMENT**

MALE				FEMALE				DISABLE D
AFRICA N	COLOURED	INDIA N	WHIT E	AFRICA N	COLOURED	INDIA N	WHIT E	
11	0	0	1	6	1	0	1	0

The percentage of a municipality's budget annually spent on implementing its workplace skills plan; and

The percentage of the municipality's budget for the FY2023/24 spent on implementing its workplace skills plan calculates to 94%.

Financial viability expressed by the following ratios:

The budget for the workplace skills development programme for the FY2023/24 was R904 563 of which R851 064 or 94% was spent.

(i) **Debt coverage**

$$A = \frac{B - C}{D}$$

$$\text{Debt coverage} = \frac{\text{Total operating revenue} - \text{Operating grants}}{\text{Debt service payments}}$$

where

“A” represents debt coverage,

$$\text{Debt coverage} = \frac{396,050,706 - 16,276,826}{21,365,469}$$

“B” represents total operating revenue received,

**= 1853%**

“C” represents operating grants and

“D” represents debt service payments (i.e. interest + redemption) due within the financial year

(ii) Cost coverage

$$\text{Cost coverage} = \frac{\text{Available cash} + \text{Investments}}{\text{Monthly fixed operational expenditure}} \times 2$$

$$A = \frac{B + C}{D}$$

$$\text{Cost coverage} = \frac{15,312,870 + 0}{27,126,403}$$

Where

**= 0,6 months**

“A” represents cost coverage

“B” represents all available cash at a particular time

“C” represents investments, and

“D” represents monthly fixed operational expenditure

## 4. ORGANISATIONAL OVERVIEW (PART II)

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

The District Municipality aims to ensure service delivery of the best possible quality for all its inhabitants. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce. The municipality considers its human resources as one of its most critical assets. This chapter will focus on some of the key issues relating to human resources and other organizational management issues. Issues which will be addressed includes the staffing rate of the municipality, personnel cost, the status quo of retirement funds and medical aid schemes, human resource policies and practices, as well as the remuneration of senior officials and Councillors.

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 2023/24FY the Municipality had a total number of 218 positions in the approved organizational structure inclusive of unfunded positions, 180 funded positions were filled, 19 vacant funded and 19 unfunded positions as at 30 June 2024 which constituted of 10% of vacancies. (This percentage reflects positions that are vacant and funded)

The Human Resources Unit during the year under review consisted of 6 employees providing Human Capital support and administrative services to all employees of Ehlanzeni District Municipality. The services provided included, Recruitment and Selection, Training and Development, Employee Wellness, Employment Equity, Occupational Health and Safety, Labour Relations issues and all Human Resources Administration with regard to all employees' fringe benefits and Councillors fringe benefits, Councillors welfare, etc. The Human Resources Services performed an excellent and efficient service during the year and were compliant with all legislative and regulatory prescripts.

#### FILLING OF KEY CRITICAL POSITIONS:

As at the end of June 2023, the following Senior Management positions (Section 56 and 57) remained filled as per the period under review which are as follows:

- Municipal Manager
- General Manager Strategic and Social Services
- General Manager Community Services
- General Manager Economic Planning and Development

The following positions reporting directly to the Municipal Manager were vacant as end of June 2024:

- General Manager Technical Services
- Chief Financial Officer
- The General Manager Corporate Services

However, the Municipality requested from COGTA secondment of the officials (CFO and GM Technical Services) to ensure the departments are not left with a vacuum and for a period of 6 months, through its Municipal Support Programme in terms of the provisions of the Municipal Systems Act up until the positions were properly filled.

- The General Manager Corporate Services was seconded to Thaba Chweu Local Municipality as resolved to seek the support of the District Municipality wherein a suitably qualified incumbent to act in the position of the Acting Municipal Manager of Thaba Chweu Local Municipality until the position was properly filled. This decision was also supported by the MEC COGTA in the Province. Ehlanzeni District Municipality accepted the request and resolved to second the incumbent, as the Secondee to serve as the Acting Municipal Manager of Thaba Chweu Local Municipality for a period of 3 (three) months while the receiving municipality recruitment process to fill the vacancy unfolds. After the secondment, the incumbent was therefore appointed in January 2023 by Thaba Chweu Local Municipality. For EDM to ensure there is no vacuum in the Corporate Services Department, an official was appointed to act from the period of secondment up until the position was filled with a concurrence of such acting supported by the MEC COGTA in the Province.

The table below reflects the status quo and breakdown per department in terms of filled, vacant funded and vacant unfunded positions as at 30 June 2024

VACANCY RATE PER ORGANIZATIONAL STRUCTURE				
DEPARTMENT	POSTS	FILLED	VACANT POSTS	
			Budgeted	Not Budgeted
Office of the Executive Mayor	5	4	1	0
Office of the Speaker	8	6	1	1
Whip of Council	2	2	0	0
Office of the Municipal Manager	18	17	0	1
Corporate Services	46	37	5	4
Financial Services	31	24	3	4
Community Services	56	44	4	8
Technical Services	11	10	1	0
Economic Planning and Development	13	10	2	1
Strategic Planning and Social Services	28	26	2	0
<b>TOTAL</b>	<b>218</b>	<b>180</b>	<b>19</b>	<b>19</b>

**Percentage of salary budget: 55.08%**

#### **COMMENTS ON VACANCIES & TURNOVERS**

When jobs become available, the HR department posts job openings, recruit's candidates, works with the selection committees to select candidates that meet the Municipality's standards, goals and strategic objectives. Vacancies in the Municipality are advertised both internally and externally in the local press and the Municipality website in accordance with Council's Recruitment and Selection policy, Municipal Staff Regulations and 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 inducted newly recruited employees into the Municipality. Induction is a 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 counteroffers, transfers and or secondments 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 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 Municipality. During the year under review the Municipality there were was only 1 transfer that occurred and effected.

The following table indicate the numbers in terms of new appointments and terminations recorded during the year under review:

<b>New appointments</b>	Total : 20	(*12 vacancies in the organizational structure and, 8* vacancies were internships – this are not covered in the organisational. structure)
<b>Resignations</b>	Total : 10	(*6 resignations were from officials in the organizational structure *4 were from internships)
<b>Contract expiry</b>	Total : 6	(*2 of the 6 Managers reporting directly to the MM The two incumbents were further seconded for a period of six months in terms of the COGTA Municipal Support programme (*4 of the 6 were internships)
<b>Retirements</b>	Total: 1	1 Official retired at Normal retirement age of 65
<b>Deaths</b>	Total : 3	(2 were Officials) 1 Councillor (MMC Financial Services)

#### **Disciplinary cases recorded:**

1 Labour Court Matter was attended to and outcome from the Judge of the Labour Court not yet concluded as at 30 June 2024.

#### **Disciplinary hearings**

None occurred during the year under review

## Dismissals and Suspensions

None occurred during the year under review.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE LEVELS

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality pursues the equitable representation of designated groups in all occupational categories and levels in the workforce and actively supports an organizational culture and climate based on diversity, equality, mutual respect and dignity for all. Currently in the organization, African females are overrepresented at middle occupational levels (A Grade) while other demographic groups are minimally or not represented at all. People with disabilities are critically under-represented.

In terms of Section 21(b) and 27 of the Employment Equity Act 1998 (Act No. 55 of 1998), all designated employers who employ 150 or more employees have a duty to report and must submit Employment Equity Reports in a prescribed format once every year on the first working day of October if submitted directly to the Department of Employment and Labour or 15 January of each year when submitting it electronically as well as Income Differential statements. When a designated employer fails to submit an EE report without a valid reason, the Director-General may refer the employer's non-compliance to the Labour Court to impose a fine.

The listed fines for contraventions are as follows:

Contravention	Amount
No previous contravention	The greater of R1 500 000 or 2% of turnover
One previous contravention	The greater of R1 800 000 or 4% of turnover
A previous contravention within the previous 12 months or two previous contraventions within three years	The greater of R2 100 000 or 6% of turnover
Three previous contraventions within three years	The greater of R2 400 000 or 8% of turnover
Four previous contraventions within 3 years	The greater of R2 700 000 Or 10%of turnover

In terms of the Employment Equity Act, 1998 and the reports that are submitted to the Department of Employment and 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.

\*\*The table below indicates information for the period 1 October 2022 – 30 September 2023 (in terms of the statutory report submitted to Department of Employment and Labour

DESIGNATION	GENDER		TOTAL NUMBER (FILLED POSITIONS)
	MALES	FEMALES	
MUNICIPAL MANAGER (SECTION 57)	0	1	1
GENERAL MANAGERS (SECTION 56)	1	2	3
TOP MANAGEMENT	16	8	24
PROFESSIONALS	22	41	63
TECHNICIANS AND ASSOCIATE PROFESSIONALS	10	7	17
CLERICAL SUPPORT WORKERS	14	30	44
SERVICE AND SALES WORKERS	2	3	5
PLANT AND MACHINE OPERATORS AND ASSEMBLERS (DRIVERS)	3	0	3
ELEMENTARY OCCUPATIONS	7	14	21
TOTAL	75	106	181

## **HUMAN RESOURCES POLICIES AND PLANS 2023/24 FINANCIAL YEAR**

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 other Local government prescripts in general. 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 all employees 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.

### **COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE (SKILLS DEVELOPMENT)**

The Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. Chapter 5, of the Local Government Municipal Staff regulations of 2021 emphasises that: A municipality must support its staff members by—

- clarifying the skills required for jobs, identifying relevant skills needs and developing opportunities to satisfy the skills needs;
- identifying new skills and knowledge required by staff to support their career growth and progression;
- creating learning opportunities which will allow their staff to develop the skills and expertise to enable them to compete effectively for placement in new or vacant posts; and
- ensuring that skills development is a KPA in senior managers and supervisors performance agreements

Further organizational development entails harnessing the human capital of the municipality through skills development, occupational health and safety, sound labour relations and employee wellness issues. As 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 Skills Plan and Annual Training Report for 2023/24FY on training implemented timeously to comply with LGSETA requirements. The Municipality further implemented training programmes through assistance from Local Government Services Seta (LGSETA) mandatory grant, and own skills development budget for skills programmes, Learnerships and short courses.

Through the Discretionary grant approval by LGSETA the municipality implemented the following Learnerships and Skills Programmes which are Unit Standard based:

QUALIFICATION NAME	MODE OF TRAINING	NUMBER OF LEARNERS
FETC: Generic Disaster Risk Management	Skills Programme	300 (Unemployed)
FETC: Fire and Rescue Operations	Skills Programme	300 (Unemployed)
NC: Community Water, Health and Sanitation Promotion	Skills Programme	150 (Employed)
Certificate: Municipal Financial Management	Learnership	25 (Employed)
Internships	Internships	5 (unemployed learners)
FETC: Generic Disaster Risk Management	Learnership	20 (employed learners)

Furthermore, some of the programmes were initiated and funded by COGTA and SALGA respectively to ensure Councillors and employees are capacitated. During 2023/2024 an amount of R281 705,85 was spent on capacity building programmes.

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. The work-study exercise assisted in identifying several skills gaps identified and the information moving forward will be incorporated into individuals Personal Development Plans (PDP's). To address these gaps, the Municipality through the LGSETA Bursary programme also managed to secure 2 Bursaries to address the Skills gaps for two Managers to ensure they meet the required competencies and qualifications as identified through the exercise.

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. If such a Senior Manager is appointed, they are taken through the programme to ensure they complete within 18 months from the appointment date.

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 for them to obtain their full qualifications.

A budget is also set aside to advertise for external bursaries and applicants in the following fields/disciplines were given an opportunity to apply for:

- 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 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 R320 597.20 were awarded to a total of 20 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 6 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 R350 000.

The table below details a listing of training programmes, seminar and workshops attended by employees and Councillors during the year under review:

**TRAINING AND WORKSHOP ATTENDED BY OFFICIALS AND COUNCILLORS AS PER PERSONAL DEVELOPMENT PLANS FOR 2023/24FY**

	<b>PROGRAMMES</b>	<b>NO OF OFFICIALS</b>
1	Training For Ward Committee’s secretaries	3
2	GRAP	40
3	Records management	1
4	Mastering engineering & construction contracts (CPD)	4

	<b>PROGRAMMES</b>	<b>NO OF OFFICIALS</b>
5	Imesa conference (CPD)	4
6	Project risk assessment	2
7	Payday	3
8	Capacity building on by-laws	49
9	Innovations in evaluation	5
10	Building an M&E systems anchored in good programming	5
11	MISA Infrastructure Asset Management Planning	3
12	Public Participation Intergovernmental Relations and District Development Model Master Class	4
13	MFMA Capacity Building Reporting Requirements	1
14	8th SA TB Conference 2023	1
15	Payday HR Module	2
16	Payday Skills Module	2
17	Payday Equity Module	2
18	Payday Post Module	2
19	85th IMESA Conference	3
20	38th IMPSA International Conference	5
21	Wastecon Conference	1
22	Payday Systems Administration System	3
23	EXCEL BASIC (National Treasury) Ad-Hoc	4
24	EXCEL INTERMEDIATE (National Treasury)	4
25	Municipal Energy Management Systems & Energy Performance	2
26	CIGFARO	8
27	Salga Records Management Workshop	2
28	IRP Bi-Annual Payroll Tax Seminar	5
29	Payroll Tax Practical Workshop	5
30	Annual	1
31	Annual Local Government and Performance Management Seminar	4
32	Annual SALGA Labour Law Seminar	4
33	CIGFARO Audit and Risk	10

	<b>PROGRAMMES</b>	<b>NO OF OFFICIALS</b>
34	Task Job Evaluation	1
35	Payday Leave Module	1
36	Payday Ess Module	1
37	MISA : Pressure Pipeline and Pump Station Design and Specification	2
38	Annual OHS Conference	2
39	GRAP Capacitation	3
<b>COUNCILLORS TRAINING AS PER PDP'S FOR 2023/24FY</b>		
	<b>Programmes</b>	<b>NO OF COUNCILLORS</b>
1	Municipal Staff regulations	2
2	Local Government Leadership Class	5
3	MPAC Training	10
4	Leadership Skills Programme	8
5	Revenue Enhancement	1
6	Local Government Municipal Staff Regulations	4
7	Municipal integrated Development Planning	10

## **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 ensure the health and safety of its employees when they are at work. This is achieved through the provision of safety measures as well as personal protective equipment, to minimize the risk of accidents and injuries in the workplace while discharging their duties. Furthermore, EDM on an annual basis ensures that the buildings fire equipment's are serviced and are in good working condition for in case of a fire emergency that may occur.

The Occupational Health and Safety unit has a duty to inspect, visit construction sites and approve health and safety files for construction projects that are implemented by the Municipality in collaboration with Technical Services Department. During the financial year 2023-2024 there were two new construction sites at Goromane under Bushbuckridge Local Municipality and at Mashishing under Thaba Chweu Local Municipality, and the other sites were carried over from the previous financial year all under Nkomazi Local Municipality. This means that only two new files were scrutinized and approved in the financial year under review. The projects are all for water provision funded by the Department of Water and Sanitation together with Ehlanzeni District Municipality, with Local Municipalities as the beneficiaries.

The OHS Officer monitored progress on the various construction sites regarding OHS and Environmental compliance as set out in the OHS Act and the Construction Regulations. There were no major incidents that were reported in all the construction sites except for work stoppages due to community unrest which subsequently delays the projects.

Two safety files were received from the contractor for the office renovations and roof repairs, and both files have been approved for construction. A meeting was held with the contractor to discuss the safety protocols required to protect both EDM employees and the contractor's staff during the construction process. Since the commencement of the construction, no incidents have been reported on site, and the safety files are continuously monitored by the OHS officer.

**Injuries table**

Type of injury	Number	Days off	Current status
Required medical attention	01	40	The incident was reported to the Department of Employment and Labour, as it was an injury on duty as the employee got injured while performing her duties. Employee returned to work and further rehabilitation was required.
Temporary disablement	0	0	Not applicable
Permanent disablement	0	0	Not applicable
Fatal	0	0	Not applicable
<b>Total</b>	<b>01</b>	<b>40</b>	

**EMPLOYEE WELLNESS PROGRAMMES**

Employees are invaluable assets of any company, and ensuring their excellent mental and physical health sets them up to perform well. The health and wellness of employees usually have a direct effect on the productivity and profits. Even though the advantages of an employee wellness program may be hard to see at first glance, employees who are healthy usually bring a range of benefits to other employees and to the Employer. The following are some of the benefits of an employee wellness program:

- More productivity
- High employee morale
- Improve recruitment and retention of employees
- Reduced absenteeism
- Reduced health risks
- Building camaraderie/friendships among workers

The Municipality has during the period under review implemented a variety of activities ranging from Team building programme, Health talks, Substance abuse, financial wellness sessions, Wills and estates, Fitness activities, etc. Beyond the activities mentioned above, referrals from Supervisors for assistance privately by registered psychologists/counselors were sourced to ensure that affected employees were attended to on a one-on-one basis as this type of professional counselling and wellness services are initiated for employees to manage their emotional, personal and work-related problems that impact their wellbeing.

## **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 under employee costs for all the posts which can be filled and the time frames in respect thereof. 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.

In terms of the Basic Conditions of Employment Act and South African Local Government Bargaining Main Council Collective Agreement, the Mpumalanga Division Collective Agreements and internally approved HR Policies prescribe certain benefits or allowances 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 personnel administration function located in the HR Unit is responsible for management of all employee related benefits which includes the 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 agreements referred above, some benefits e.g. bursaries, travelling allowances are benefit accorded to employees by virtue of Council's own policy directives.

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 has in terms of the South African Local Government Bargaining Council (SALGBC) Main Collective Agreement read with the Mpumalanga Division 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 40 qualifying employees were awarded Long Service Recognition Bonuses ranging from 5, 10, 15, 20 and 35 years respectively during the financial year under review.

### **INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEMS'**

Performance Management is a tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality. It is also a process which measures the implementation of the organisation's strategy. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees are met. At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government.

The overall purpose of the Individual Performance Management is to ensure that Ehlanzeni District Municipality executes its obligation towards the community as expressed in the Integrated Development Plan (IDP) and Service Delivery Budget and Implementation Plan (SDBIP). This will ensure that every employee has an understanding of how he/ she can contribute towards the attainment of the Vision, Mission, Strategic Objectives and the District Key Performance Areas.

In compliance with section Chapter 4 of the Local Government: Municipal Staff Regulations for all the staff members of the Municipality; published in the Government Gazette No. 890 dated 20 September 2021, the District Municipality reviewed and aligned the Individual Performance Management Policy guided by the Regulation. The Individual Performance Management Policy approved by council on the 29 June 2022 under item. A 71/2022.

The Individual Performance Management System (IPMS) was implemented and employees were assessed on their individual performance for the 2021/22 financial year consolidating all the 4 quarters (1 July 2021 – 30 June 2022) as per their respective workplans. Prior to the quarterly reviews Individual Performance Agreements for the 2023/24 financial year were signed by and in between individual employees, direct supervisors and Departmental Managers.

The District Municipality provided support all the Local Municipalities within the District on cascading Individual Performance Management. The District Municipality is continuously supporting the Local Municipalities in the District as and when requests were received on the review of the Individual Performance Management (IPM) policy and cascading of Performance Management to all levels of staff.

Employee related costs (salaries, allowances, leave payout and benefits of Councillors) are disclosed in the Audited Annual Financial Statements as attached. Remuneration of Councillors, Municipal Manager and Managers reporting directly to the Municipal Manager are within the determined Gazetted Notices with Upper limits from COGTA and other officials are within SALGBC Collective Bargaining salary and wage determinations.

## 5. FINANCIAL PERFORMANCE

This review sets out performance for the year ending 30 June 2024. 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 2024.

Explanations for the variances are included in note 39 contained in the Audited Annual Financial Statements for the year ended 30 June 2024.

### 5.1 Financial Performance

Description	Approved budget	Actual	Variance	2023 /2024 Variance %
Rental of Facilities	R 1 402 500	R 198 000	R 1 204 500	-86%
Interest Received	R 10 184 954	R 9 052 258	R 1 132 696	-11%
Dividends received	R 161 248	R 183 392	-R 22 144	14%
Government Grants & Subsidies	R 313 565 000	R 311 530 826	R 2 034 174	-1%
Construction Contracts	R 86 918 236	R 72 851 296	R 14 066 940	-16%
Other Income	R 2 095 033	R 1 278 205	R 816 828	-39%
Fines and penalties	R -	R 661 432	-R 661 432	100%
<b>Total Revenue</b>	<b>R 414 326 971</b>	<b>R 395 755 409</b>	<b>R 18 571 562</b>	<b>-4%</b>
Employee Costs	R 167 551 598	R 167 400 846	R 150 752	0%
Councillors Remuneration	R 19 669 431	R 19 668 384	R 1 047	0%
Audit Fees	R 5 196 150	R 5 196 078	R 72	0%
Depreciation & Amortisation	R 12 204 512	R 12 090 026	R 114 486	-1%
Finance Costs	R 15 154 152	R 15 153 310	R 842	0%
Provision for bad debts	R 1 720 000	R 1 716 374	R 3 626	0%
Repairs and Maintenance	R 5 541 427	R 5 540 409	R 1 018	0%
Contracted Services	R 40 325 268	R 40 103 362	R 221 906	-1%
Construction Contracts Cost	R 87 171 352	R 73 512 727	R 13 658 625	-16%
General Expenses	R 60 407 964	R 60 324 201	R 83 763	0%
<b>Total Expenditure</b>	<b>R 414 941 854</b>	<b>R 400 705 717</b>	<b>R 14 236 137</b>	<b>-3%</b>
<b>Operating surplus</b>	<b>-R 614 883</b>	<b>-R 4 950 308</b>	<b>R 4 335 425</b>	<b>705%</b>
Government Grants & Subsidies		-R 27 231 086	R 27 231 086	
Gains/(loss) on disposal of assets		-R 52 281	R 52 281	#DIV/0!
Gains/(loss) on fair value adjustment		R 1 448 201	-R 1 448 201	#DIV/0!
Actuarial gains	R 4 578 000	R 4 578 000	R -	0%
<b>Surplus/(Deficit) for the year</b>	<b>R 3 963 117</b>	<b>-R 26 207 474</b>	<b>R 30 170 591</b>	<b>-761%</b>

## 5.2 Financial Position

Description	Approved budget	Actual	Variance	2023/24 Variance %
Total Current Assets	R 127 658 895	R 77 695 956	R 49 962 939	-39%
Total Non-Current Assets	R 338 473 180	R 191 567 080	R 146 906 100	-43%
Total Current Liabilities	R 86 900 430	R 80 842 830	R 6 057 600	-7%
Total Non-Current Liabilities	R 96 639 949	R 106 716 658	-R 10 076 709	10%
Equity	R 282 591 696	R 81 703 548	R 200 888 148	-71%

## 5.3 Cash Flows

Description	Approved budget	Actual	Variance	2023/24 Variance %
Net cash flow from operating activities	R 5 672 231	-R 17 428 167	R 23 100 398	-407%
Net cash flow from investing activities	-R 13 137 036	R 32 210 225	R 45 347 261	345%
Net cash flow from financing activities	-R 10 835 811	-R 11 379 551	-R 543 740	-5%
<b>Net increase/(decrease) in cash and Equivalents</b>	<b>-18 300 616</b>	<b>3 402 507</b>	<b>67 903 919</b>	
Cash and Cash Equivalents B/F	83 898 864	794 316		
<b>Cash Balance</b>	<b>65 598 248</b>	<b>4 196 823</b>		
<b>Cash Equivalents (Investments) Balance</b>	<b>-</b>	<b>6 478 522</b>		
<b>Cash and Cash Equivalents - Year End</b>	<b>65 598 248</b>	<b>10 675 345</b>	<b>54 922 903</b>	.%

## 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 2024 as contained in Volume II of this Annual Report.

Description	Approved budget	Actual	Variance	2023/24 Variance %
Internally generated funds	45 664 786	31 110 289	-14 554 497	-32%
Conditional grants	2 398 750	2 398 750	-	0%
<b>Total source of capital funds</b>	<b>48 063 536</b>	<b>33 509 039</b>	<b>-14 554 497</b>	<b>-30%</b>

## 6. AUDITOR-GENERAL'S AUDIT FINDINGS

### Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on 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 xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget information and actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ehlanzeni District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 2 of 2023 (Dora).

##### Basis for opinion

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

##### Material impairment of debtors

As disclosed in note 4 to the financial statements, a material impairment of R13,53 million (2022-23: R11, 81million) was incurred as a result of a provision to write off debtors as irrecoverable.

## **Other matter**

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

### **Unaudited disclosure notes**

8. In terms of section 125(2)(e) of the MFMA, the district 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.

### **Unaudited supplementary schedules**

9. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedule(s) and, accordingly, I do not express an opinion on them.

## **Responsibilities of the accounting officer for the financial statements**

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora; 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the district 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 district municipality or to cease operations or has no realistic alternative but to do so.

## **Responsibilities of the auditor-general for the audit of the financial statements**

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### **Report on the annual performance report**

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported

performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to Strategic Objective 2: Deliver services and implement projects in line with the mandate of EDM presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the district municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of disaster risk management and public safety awareness campaigns held
- Number of microbiological and chemical samples analysed
- Number of inspections on accommodation establishments conducted
- Number of inspections on schools facilities conducted
- Number of inspections on clinic facilities conducted
- Number of inspections on hospital facilities conducted
- Number of inspections on food premises conducted
- Number of inspections on funeral undertaker facilities conducted
- Number of illegal dumping sites cleared and rehabilitated and working tools for waste collectors delivered by a specific date
- Purchase and delivery of skip bins for two local municipalities
- Number of technical services projects completed
- Completion of purchase & handover of water quality testing equipment by a specific date
- Completion of the supply & delivery of materials & small plant to LMs for patching potholes by a specific date
- Completion of the purchase & handover of materials for refurbishment of high-mast lights in Nkomazi by a specific date

16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared

using these criteria, it provides useful and reliable information and insights to users on the district municipality's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the district municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the district municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

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

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

#### **Other matter**

20. I draw attention to the matter below.

#### **Achievement of planned targets**

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

22. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

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## Strategic Objective 2

<i>Targets achieved: 86%</i> <i>Budget spent: 89%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of illegal dumping sites cleared and rehabilitation and working tools for waste collectors delivered by a specific date.	3	2
Number of technical services projects completed.	18	13

### Report on compliance with legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the district municipality's compliance with legislation.
24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the district municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
26. I did not identify any material non-compliance with the selected legislative requirements.

### Other information in the annual report

27. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the

scoped-in objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

31. I have nothing to report in this regard.

#### Internal control deficiencies

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

33. I did not identify significant deficiencies in internal control.

Auditor - General

Mbombela

29 November 2024



AUDITOR-GENERAL  
SOUTH AFRICA

Auditor-General of South Africa

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the district municipality's compliance with selected requirements in key legislation.

#### Financial statements

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

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

### Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA) and regulations issued in terms of the act	<p>Section 1 – paragraph (a), (b) &amp; (d) of the definition: irregular expenditure</p> <p>Section 1 – definition: service delivery and budget implementation plan</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1).</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a).</p> <p>Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii).</p> <p>Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e).</p> <p>Sections 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j).</p> <p>Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b).</p> <p>Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a).</p> <p>Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulation 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), 17(1)(b).</p> <p>Regulations 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e).</p>

Legislation	Sections or regulations
	<p>Regulations 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a) and (b), 29(5)(a)(ii), 29(5)(b)(ii).</p> <p>Regulations 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i).</p> <p>Regulations 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)</p>
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Sections 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 35(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	<p>Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1).</p> <p>Regulations 7(2), 7(3), 7(6), 7(6), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)</p>
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Municipal Systems Act 32 of 2000	<p>Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a).</p> <p>Sections 29(2)(c), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42.</p> <p>Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b).</p> <p>Sections 67(1)(d), 74(1), 93J(1), 96(b)</p> <p>Parent municipality with ME:</p> <p>Sections 93B(a), 93B(b)</p>

Legislation	Sections or regulations
	Parent municipality with shared control of ME:  Sections 93C(a)(iv), 93C(a)(v)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(a), 7(1), 8, 9(1)(a), 10(a),  Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)



## AUDIT ACTION PLAN TO ADDRESS AUDITOR-GENERAL FINDINGS FOR 2023/24 FINANCIAL YEAR

### 1. Introduction

The Auditor General has concluded the audit process for the financial year ended 30 June 2024, and an audit report as well as a management report has been received by the municipality on 30 November 2024.

The audit opinion expressed by the Auditor General on the audit report for the year under review is unqualified opinion with no material 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 were 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 10 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	0	0	0	0
3. Performance Management	1	0	1	0
4. Financial Management	9	0	8	1
5. Leadership and Governance	0	0	0	0
6. Information and Communication Technology	0	0	0	0
7. Project Management	0	0	0	0
<b>Total</b>	<b>10</b>	<b>0</b>	<b>9</b>	<b>1</b>

Nonetheless these audit findings had been raised by the Auditor-General mostly as a result of internal control deficiencies, affecting the financial information disclosed on the annual financial statements and infrastructure project management.

The most of the misstatements revealed by the audit process have been corrected, and both the annual financial statements 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 raised and the emerging risk identified by the Auditor-General. The management should implement the audit action plan by not later than 31 August 2025 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.

NO	COMAF NO.	KEY COMPONENT OR CATEGORY	AUDIT FINDINGS	ROOT CAUSES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM
1.	1.1	Financial Management	Segment reporting - Recasted note does not agree to the AFS	Draft AFS not available early enough for internal and external reviewers to have sufficient time to review AFS	Improve the quality of information disclosed on the AFS.	(a) Compile comprehensive financial year-end plan with enough time available for review of the AFS. (b) The draft AFS shall be subjected to an extensive internal and external at different levels of quality review process.	31 August 2024	Senior Manager: Budget and Reporting	General Manager's Forum
2.	1.2	Financial Management	Discrepancies noted during asset verification	Management did not implement regular verification procedures, including serial number checks and description reviews, to ensure ongoing accuracy of the asset register.	Improve the quality of information disclosed on the Fixed Asset Register.	(a) Compile comprehensive asset verification plan. (b) Conduct in-depth asset verification during February 2025 including verification of asset descriptions and serial numbers.	28 February 2024	Senior Manager: Budget and Reporting	General Manager's Forum

NO	COMAF NO.	KEY COMPONENT OR CATEGORY	AUDIT FINDINGS	ROOT CAUSE	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUPLICATE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM
3.	1.3	Financial Management	Errors noted in notes to annual financial statements	Draft AFS not available early enough for internal and external reviewers to have sufficient time to review AFS	Improve the quality of information disclosed on the AFS.	(a) Compile comprehensive financial year-end plan with enough time available for review of the AFS. (b) The draft AFS shall be subjected to an extensive internal and external at different levels of quality review process.	31 August 2024	Senior Manager: Budget and Reporting	General Manager's Forum
4.	2.1	Financial Management	Incorrect classification of land	Draft AFS not available early enough for internal and external reviewers to have sufficient time to review AFS	Improve the quality of information disclosed on the AFS.	(a) Compile comprehensive financial year-end plan with enough time available for review of the AFS. (b) The draft AFS shall be subjected to an extensive internal and external at different levels of quality review process.	31 August 2024	Senior Manager: Budget and Reporting	General Manager's Forum

NO	COMAF NO.	KEY COMPONENT OR CATEGORY	AUDIT FINDINGS	ROOT CAUSES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM
						(c) Land to be re-moved from Fixed Asset Register and allocated to inventory.			
5.	2.2	Financial Management	Intangible Assets not impaired	Management did not test the previous versions of Microsoft Office 365 at year end.	Improve the quality of information disclosed on the AFS.	(a) Review of all older versions of Microsoft Office to determine which are still in use and which to impair. (b) Approval from Council to impair Microsoft Office packages not in use. (c) Adjusted Fixed Asset Register with impairment.	28 February 2025	Senior Manager: Budget and Reporting	General Manager's Forum
6.	2.3	Financial Management	Errors on Commitments Disclosure Note	Draft AFS not available early enough for internal and external reviewers to have sufficient time to review AFS	Improve the quality of information disclosed on the AFS.	(a) Compile comprehensive financial year-end plan with enough time available for review of the AFS.	31 August 2024	Senior Manager: Budget and Reporting	General Manager's Forum

NO	COMAF NO.	KEY COMPONENT OR CATEGORY	AUDIT FINDINGS	ROOT CAU.	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUPLICATE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM
7.	2.4	Financial Management	Errors on PPE Disclosure Note	Draft AFS not available early enough for internal and external reviewers to have sufficient time to review AFS	Improve the quality of information disclosed on the AFS.	(a) Compile comprehensive financial year-end plan with enough time available for review of the AFS.  (b) The draft AFS shall be subjected to an extensive internal and external at different levels of quality review process.	31 August 2024	Senior Manager: Budget and Reporting	General Manager's Forum
8.	3.1	Financial Management	Provisions- Calculation of actuarial gains & losses – The number of members on long service	Draft AFS not available early enough for internal and external reviewers to have sufficient	Improve the quality of information disclosed on the AFS.	(a) Compile comprehensive financial year-end plan with enough time available for review of the AFS.	31 August 2024	Senior Manager: Budget and Reporting	General Manager's Forum

NO	COMAF NO.	KEY COMPONENT OR CATEGORY	AUDIT FINDINGS	ROOT CAUSES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION	DUE DATE	RESPONSIBLE OFFICIAL	MONITORING MECHANISM
			awards does not match the reports for 2023.	time to review AFS		(b) The draft AFS shall be subjected to an extensive internal and external at different levels of quality review process.			
9.	3.2	Financial Management	Remuneration from councilors- There is no breakdown for the amount of R304 157 for councilors ET Mabuza.	Draft AFS not available early enough for internal and external reviewers to have sufficient time to review AFS	Improve the quality of information disclosed on the AFS.	(a) Compile comprehensive financial year-end plan with enough time available for review of the AFS. (b) The draft AFS shall be subjected to an extensive internal and external at different levels of quality review process.	31 August 2024	Senior Manager: Budget and Reporting	General Manager's Forum
10.	4.1	Performance Management	Indicator listing not consistent with actual reported on the APR					Senior Manager: Performance Management	General Manager's Forum

## 7. OVERSIGHT COMMITTEE REPORT

Ehlanzeni District Municipality held its meeting on the 20<sup>th</sup> of March 2025 at Ehlanzeni District Municipality, Council Chamber, West Wing, Committee Room, Mbombela. The said meeting was arranged to discuss the 2023/2024 Ehlanzeni District Municipality's Annual Report for consideration of 2003). The following members were present during the meeting:

Cllr MJ Morema (Chairperson)  
Cllr C Mohlala  
Cllr MJ Mnisi  
Cllr D Masilela  
Cllr ZA Mdhluli  
Cllr CK Chuene  
Cllr SP Chauke

An Annual Report of a municipality outlines the performance of a municipality against goals, objectives and budget as approved by Council. The report is the key accounting instrument of the municipality; to be tabled in the Municipal Council by the Executive Mayor within seven (7) months after the end of the financial year. The key components of the report as provided by section 121 (3) of the MFMA are:

- Financial statements of the municipality;
- The Audit Report of the Auditor General;
- The Annual performance of the municipality;
- An assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
- An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives; and
- Particulars of any corrective action taken or to be taken in response to issues raised in the Audit Report.

The Department of Cooperative Governance together with the National Treasury and the Association of Public Accounts Committees in South Africa (APAC), issued guidelines dated 17 August 2011 and 2014 respectively relating to the establishment of the Municipal Public Accounts Committees (MPAC's) which clearly outlines the functions of the Municipal Public Accounts Committee's (MPAC's) as being the following:

1. To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting the Oversight Report on the Annual Report;
2. In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in- Year Reports, including the Quarterly, Mid – Year and Annual Reports;

To examine the financial statements and audit reports of the municipality and municipalities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented.

## **MPAC OVERSIGHT METHODOLOGY**

Municipal Councils are vested with the responsibility to oversee the performance of their respective municipalities, as required by the Constitution of the Republic, 1998(Act No. 108 of 1998) as amended, the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) MFMA and the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). This Oversight responsibility in Council is conferred to the Oversight Committee which amongst others is responsible for the consideration and recommendation for approval by Council the Annual Report.

Section 127(2) of the MFMA prescribes that Mayor of the municipality must, within (7) seven months after the end of a financial year, table in the Municipal Council the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control. After the Annual Report has been tabled, the Council is required by law to exercise oversight.

Section 129(1) (a) (b) and (c) of the MFMA prescribes that the Council of a municipality must consider the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the Annual Report was tabled in the council in terms of section 127, adopt an Oversight Report containing the council's comments on the annual report, which must include a statement whether the council-

- (a) has approved the Annual Report with or without reservations;
- (b) has rejected the Annual Report or
- (c) has referred the Annual Report back for revision of those components that can be revised.

The 2023/2024 Draft Annual Report of Ehlanzeni District Municipality was tabled to Council on **30 January 2025**. The Annual Report seeks to provide the community and various stakeholders of the municipality with an opportunity to report on the financial and non-financial performance of the District. Performance of the District is reported against commitments in the IDP, business plans and other supporting planning documents.

Section 121(1) and (2)(a), (b) and (c) of the MFMA prescribes that every municipality and every municipal entity must prepare an annual report in accordance with this Chapter, which is Chapter 12 of the MFMA. The Council of a municipality must within (9) nine months after the end of a financial year deal with the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

#### **THE PURPOSE OF AN ANNUAL REPORT IS:**

- (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) to promote accountability to the local community for the decisions made throughout the year by the Municipality or Municipal Entity.

The 2023/2024 Annual Report was referred by Council to Municipal Public Accounts Committee (MPAC) for oversight purposes. The Council of Ehlanzeni District Municipality has delegated the Municipal Public Accounts Committee (MPAC) the responsibility of the Oversight Committee envisaged in Section 129 of the MFMA and Circular number 32 of the MFMA. Upon receipt of the Annual Report, the MPAC exercises oversight and tables its oversight report to Council within a prescribed time of (2) two months.

The MPAC is expected to table the Oversight Report for the year 2023/2024 Annual Report of Ehlanzeni District Municipality in a Council meeting scheduled for **25 March 2025**. The Oversight Report of MPAC tabled in Council is in line with Section 129 (1) as indicated above.

### **OVERSIGHT ROLLOUT ACTIVITIES**

During the first strategic session of the Municipal Public Accounts Committee meeting which was held from the **11-12 February 2025** to consider the Draft Annual Report, the Committee in line with its Terms of Reference following, Municipal Public Accounts Committee Process Plan that was adopted and approved by Council to serve as a guideline during the review of the Draft Annual Report.

The Municipal Public Accounts Committee Process Plan indicates thirteen (13) steps to be followed when considering an Annual Report as indicated under the sub-heading, **Oversight methodology, above**. The MPAC in line with the Guidelines for the establishment of the MPAC's on the 17<sup>th</sup> August 2011 and the Association of Public Accounts Committees in South Africa (APAC) of 2014 introduced the Municipal Public Accounts Committee Process Plan for the first time in its consideration of the Annual Report of the 2012/2013 financial year. The Annual Report including the information stated in Section 121(3) of the MFMA was referred to the **Municipal Public Account Committee by Council on the 30 January 2025**.

The review of the Annual Report was embarked upon in earnest by the Municipal Public Accounts Committee (MPAC). Upon resuming its review function on the 2023/2024 Annual Report, the committee set out to scan and peruse the report in detail, scrutinizing the information given and verifying the legislation thereof, and formulating Preliminary Questions in each of the pages so that the drafting of the Oversight Report on the Annual report is well undertaken with a sense of direction.

The formulated set of questions were submitted to the Executive Arm of Council with deadlines. Those questions were timeously and fully responded to by the administration. The analysis of the responses as well as the in-loco inspections on the projects implemented during the year under review were undertaken. These physical site visits are often undertaken by the committee to oversee the implementation of the infrastructure projects and to also take comments and representations from the beneficiary of local communities. During the process of oversight, the committee visited the following projects as a sample on the quality of work and service delivered during the year under review 2023/2024 Financial Year:

**DATE: 03 August 2023**

10:00	Ward	Goromane water improvement scheme Bushbuckridge
<b>DATE: 05 September 2023</b>		
10:00	Ward	Sibange Phase 01, Phase 03 and Phase 05 Nkomazi (Masibekela, Madadeni and Sikhwahlane)
<b>DATE: 11 October 2023</b>		
10:00	Ward	Driekoppies Phase 1C Shongwe/Schoemansdal
<b>DATE: 01 November 2023</b>		
10:00	Ward	Sibange Phase 05 Sikhwahlane
<b>DATE: 27 February 2024</b>		
10:00	Ward	Waste Water Treatment Works Graskop- Thaba Chweu
<b>DATE: 07 March 2024</b>		

10:00	Ward	Sibange Regional Bulk Water Scheme Phase 02 Nkomazi
<b>DATE: 14 March 2024</b>		
10:00	Ward	Jeppes Reef and Sibange Regional Bulk Water Phase 02 Nkomazi

**DATE: 16 April 2024**

10:00	Ward	Waste Water Treatment Lydenburg -Thaba Chweu
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**DATE: 18 April 2024**

10:00	Ward	Welverdien Borehole Bushbuckridge
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In considering the 2023/2024 Annual Report, the Municipal Public Accounts Committee embarked on a process of analyzing the Annual Report as referred to it by the Municipal Council.

The Municipal Public Accounts Committee (MPAC) followed the MFMA’s Circular 32 in providing guidance to it with respect to the process and format that the Committee of Council should follow when considering the Annual Report. **The members of the Municipal Public Accounts Committee (MPAC) following the tabling of the draft Annual Report on the 25 March 2025:**

- The MPAC obtained briefing from the Auditor General to be enabled to get a clear picture of the financial management and governance affairs of the Ehlanzeni District Municipality. The Auditor General’s briefing afforded the Municipal Public Accounts Committee (MPAC) members opportunity to ask questions for clarifications, enabling them as well as to undertake further findings and called the Executive and administration to account;

- The Municipal Public Accounts Committee (MPAC) decided to collect further information through questions to the Accounting Officer and Heads of Departments, calling relevant officials to appear before the Committee to answer on oral questions;
- The Municipal Public Accounts Committee (MPAC) prepared for Public Hearings, public hearing / discussion as an oversight mechanism through which the Municipal Public Accounts Committee can call officials in or outside the municipality to appear before it and the public to give testimony.

The Oversight Report of Ehlanzeni District Municipality was tabled at the Special meeting of the MPAC on the **20 March 2025** for adoption and the committee was in agreement as follows:

#### **OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

<b>STEP</b>	<b>ACTIVITY</b>	<b>RESPONSIBLE PERSON</b>	<b>DATE</b>
1.	Council refers Annual Report; Annual Financial Statement; Auditor General's Report to MPAC	Speaker	30 January 2025
2.	MPAC review documents	MPAC Members	11-12 February 2025
3.	MPAC obtain briefing by Auditor General	AG's Office	12 February 2025
4.	MPAC develops and adopts preliminary questions and send to Executive arm of Council	MPAC Member	17 February 2025
5.	MPAC receives responses to preliminary questions	MPAC Member	04 March 2025
6.	MPAC analyses response and calls a hearing	MPAC Member	11 March 2025

7	MPAC convenes a hearing for Executives to account and public hearing with communities.	MPAC Member	11 March 2025
8.	MPAC makes findings, draft an Oversight Report.	MPAC Member	20 March 2025
9.	MPAC reports back to Council.	MPAC Chairperson	25 March 2025
10.	Further / Continue oversight of all the remaining Projects	MPAC Members	July 2025 Onwards

The Municipal Public Accounts Committee deliberated in depth the Annual Report and generated some set of questions based on the Annual Report of the District to be able to ask questions directly to those who are accountable, requiring them to clarify or justify the report, statements to the Committee. The compiled questions were submitted to the office of the Municipal Manager and Executive Mayor.

As part of the MPAC oversight the Chief Financial Officer, Auditor General, Provincial Treasurer, SALGA, and Organizational Performance Management unit was requested to make a presentation on the **11-12 February 2025** on the Draft Annual Report of 2023/2024.

## **SUMMARY OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE'S (MPAC'S) OBSERVATIONS**

**The MPAC observed the following:**

- **The Committee would like to commend the Municipality in submitting the 2023/2024 FY Draft Annual Report on time to allow the committee to fulfil its mandate by conducting an oversight on the report as per Circular 63 and Section 121(3) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.**

1. **In Chapter 1 (Executive Mayor’s Foreword and Executive Summary)** of the introduction and overview of the Executive Mayor and Municipal Manager the committee observed the following:
  - 1.1. The committee observed that the foreword must be aligned with Circular No 63 of MFMA.
  - 1.2. That the Municipal Manager’s foreword must be specific about the functions and powers mandated to Ehlanzeni District Municipality.
  - 1.3. That the committee observed that the Executive Mayor foreword of 2023/2024 Annual Report is the same as the Executive Mayor Foreword of 2022/2023.
  
3. **In Chapter 3(Service Delivery Performance) Part 1** of the introduction and overview of the Executive Mayor and Municipal Manager committee observed the following:
  - 3.1. The committee observed that the Lydenburg Waste Water Treatment Works was not captured correctly on the Draft Annual Report. The budget and the expenditure were not appearing on the Annual Report.
  - 3.2. The committee observed that food parcels were distributed to communities without any attendance register.
  - 3.3. The committee observed that Economic Planning and Development projects are not monitored and owned by Local Municipalities, as it may potentially result in the municipality incurring fruitless and wasteful expenditure.
  - 3.4. The committee has observed that Corporate Services spend a lot of money on wellness programmes through events.
  - 3.5. The committee observed that the compilation of the Draft Annual Report contains lot of discrepancies.

**The Municipal Public Accounts Committee** has further noted that the Annual Report tabled in Council on **30 January 2025** contained the Auditor - General’s Report on the consolidated Annual Financial Statements. The municipality received an **Unqualified Audit Opinion with no findings (Clean Audit Outcome) for the period under review**. The audit opinion for the financial year under review states: *“In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ehlanzeni District Municipality as at 30 June 2024, 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).”*

The MFMA Circular No.63 states that the updated Annual Report and National Treasury Format is structured as follows:

**Chapter 1: Mayor’s foreword and Executive Summary;**

**Chapter 2: Governance;**

**Chapter 3: Service Delivery Performance;**

**Chapter 4: Organizational Development Performance;**

**Chapter 5: Financial Performance;**

**Chapter 6: Auditor General’s Findings;**

**Appendices; and**

**Volume II: AFS**

The Municipal Public Accounts Committee’s (MPAC’s) has used MFMA, and Circular No. 63 MPAC oversight report in the review of the 2023/2024 draft.

Report and the following findings have been made:

**Chapter 1: Mayor’s foreword and Executive Summary:**

**1.1. Mayor’s Foreword**

In terms of Section 52 (a) of the MFMA, the Executive Mayor of a municipality must provide general political guidance over the fiscal and non-fiscal affairs of the municipality.

**The Municipal Public Accounts Committee has observed that the foreword must be aligned with Circular No 63 of MFMA.**

## 1.2 Municipal Manager's

**Municipal Manager's foreword must be specific about the functions and powers mandated to Ehlanzeni District Municipality.**

The Municipal Manager's foreword provides an opportunity to the Municipal Manager to give a public account, guidance and advice on the administrative performance of a municipality/entity.

**The Municipal Public Accounts Committee has observed that the foreword must be aligned with Circular No 63 of MFMA.**

The section provides an overview on how municipalities as separate legal entities function based on its relationship with other political structures, office bearers, administration and the community. Information on the demographics, economic growth, population growth and development structure of the municipality should be reported including the outcomes both success and not so successful initiatives embarked upon.

## Chapter 2

### Governance

This Chapter is to ensure accountability and governance arrangements are in place. Section 121 (2) (c) of the MFMA supports the requirements of Section 18 (1) (d) of the MSA:

Information on matters of governance should be communicated to communities according to Section 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year. Nine major characteristics should be applied with the political and administrative structures of a municipality/ municipal entity to ensure good governance:

- Participation;
- Rule of law;
- Transparency;
- Responsiveness;

- Consensus oriented;
- Equity and inclusiveness.
- Effectiveness and efficiency.
- Accountability; and
- Sustainability.

With the above requirements in mind, information included in this chapter is divided into four sections:

#### Component A: Governance Structures

- Political Governance Structure
- Administrative Governance Structure

#### Component B: Intergovernmental Relations

- Intergovernmental Relations

#### Component C: Public Accountability and Participation

- Public Meetings
- IDP Participation and Alignment

#### Component D: Corporate Governance

- Risk Management
- Anti-corruption and fraud
- Supply Chain Management
- By-laws
- Websites
- Public Satisfaction on Municipal Services
- All municipal oversight committees

## **Chapter 5**

### **Financial Performance**

The aim of this chapter is to provide an overview of the financial performance of the municipality through measuring of results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are brought in line with IDP and functional area activities and outputs.

Information included in this chapter is divided into the following framework:

- Component A: Statement of Financial Performance
- Component B: Spending against Capital Budget
- Component C: Cash flow Management and Investment
- Component D; Other Financial Matters

**The Municipal Public Accounts Committee is satisfied that the Annual Report on the Financial Performance has covered the relevant information as confirmed by AG on the AFS Year under review 2023/2024.**

## **Chapter 6**

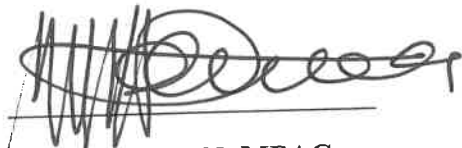
### **Auditor-General Audit Findings**

The MSA, Act 32 of 2000, Section 45 states that the results of performance measurement in terms of Section 41(1)(c) must be audited annually by the Auditor-General. Section 41(1)(c) states that the auditing should take place with regard to each of those development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.

Besides the Auditor-General's Report, which cannot be amended by the municipality, information pertaining to the following is to be included in the chapter on the Auditor-General report: This chapter provides an overview of the Auditor-General of the previous financial year. Specific topics that should receive attention include:

- Detail on issues raised during the previous financial year.
- Remedial action taken to address the above and preventative measures.

**The Municipal Public Accounts Committee is satisfied that the Draft Annual Report on the Auditor-General Audit Findings have covered the relevant information and the question of clarification posed to the Executive arm was responded to.**

A handwritten signature in black ink, appearing to read 'MJ Morema', written over a horizontal line.

**CHAIRPERSON: MPAC  
CLLR MJ MOREMA**

# **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

## ATTENDANCE OF COUNCILLORS 2023/2024 FINANCIAL YEAR (COUNCIL MEETINGS)

	27/7/2023 SPECIAL	29/8/2023 SPECIAL	27/9/2023 ORDINARY	13/10/2023 (VIRTUAL) SPECIAL	30/10/2023 (VIRTUAL) SPECIAL	30/11/2023 ORDINARY	30/01/2024 SPECIAL (HY- BRID)	27/02/2024 SPECIAL (HY- BRID)
Chauke SP	A	A	P	P	P	A	P	A
Chembeni-Sahhi M	P	P	A	A	A	P	A	A
Chima PP	P	P	P	P	P	P	P	P
Chuene KC	P	P	P	A	P	A	P	P
Couvaras S	P	P	P	LOA	P	P	P	P
Gwebu VS	P	P	P	A	P	P	A	P
Khoza NC	A	P	A	P	P	P	P	P
Khoza TS	P	P	P	A	P	P	P	P
Khumalo RE	P	P	P	P	P	P	P	P
Ligthelm JH	P	P	P	P	P	P	P	P
Mabuza ET	P	P	A	P	P	P	P	P
Mabunda EE	A	A	P	A	P	P	P	P
Maganga M	P	P	P	P	P	P	P	P
Malomane HK	P	P	P	P	P	LOA	P	A
Mahlalela TE	P	P	P	P	P	A	P	A
Makhubela SO	A	LOA	P	A	A	P	A	A
Manana SJ	A	P	P	A	A	P	P	P
Masilela DC	P	P	LOA	P	P	P	P	P
Mathebula AM	P	P	P	A	P	P	P	P
Mathebula E	P	P	P	P	P	P	P	P
Mathobela NV	A	A	A	A	A	P	A	A
Mashava IS	P	P	P	A	A	P	P	A
Mashigo -Sekgobela S	P	P	P	P	P	P	P	P

Minnaar PCW	P	P	A	P	P	P	P	P	P	P	P	P
Mohlala CM	P	P	A	A	P	P	P	P	P	P	P	A
Mokoni CM	P	P	P	A	P	A	P	P	P	P	P	P
Monareng ML	P	P	P	P	P	P	P	P	P	P	P	A
Morema MJ	A	LOA	P	A	A	A	P	P	P	P	P	A
Mbhandze F	P	P	P	A	A	A	P	P	P	P	P	A
Mgiba SB	A	P	P	A	A	LOA	A	A	A	A	A	P
Mhlaba RB	P	P	P	A	A	P	P	P	P	P	P	P
Mdluli ZA	P	P	P	P	P	P	P	P	P	P	P	P
Ndlovu ND	P	LOA	P	A	A	A	A	A	A	A	A	A
Mnisi MJ	P	P	P	P	P	P	P	P	P	P	P	P
Mphika RN	A	P	P	P	P	P	P	P	P	P	P	P
Nukeri K	A	A	A	A	A	A	A	A	P	P	P	P
Ngobeni- Khumalo B	A	P	P	P	P	A	P	A	A	A	A	P
Ngomane LP	A	P	P	P	P	P	P	P	P	P	P	P
Ngomane TE	P	P	P	P	P	LOA	P	P	P	P	P	P
Nkadimeng MF	A	A	A	A	A	A	A	A	A	A	A	A
Nkomo RN	A	P	A	P	P	A	A	A	P	P	P	A
Nkosi LF	P	P	LOA	P	P	A	A	A	A	A	P	P
Nkuna M	-	-	-	-	-	-	-	-	-	-	-	-
Nkuna SB	A	P	A	A	A	P	A	A	A	A	A	A
Nxumalo CS	A	A	A	A	A	A	A	A	A	A	A	A
VT Nyambi	-	-	-	-	-	-	-	-	-	-	-	-
Preddy MMS	P	P	P	A	A	P	A	P	P	P	P	A
Qhibi R	P	A	P	A	A	A	A	A	A	A	A	A
Robertson KP	P	P	P	P	P	P	P	P	LOA	LOA	P	P
Sebamba C	P	P	P	P	P	P	P	P	P	P	P	P
Selowe PT	P	P	P	P	P	P	P	P	P	P	P	P
Sibuyi TB	P	P	P	P	P	P	P	P	P	P	P	P
Sifunda HX	P	P	P	P	P	P	P	P	P	P	P	P



	26/03/2024 ORDINARY	26/03/2024 SPECIAL	24/04/2024 (VIRTUAL) SPECIAL	15/05/2024 SPECIAL	26/06/2024 SPECIAL	26/06/2024 ORDINARY
Chauke SP	P	P	P	A	P	P
Chima PP	P	P	P	P	P	P
Chuene KC	P	P	A	P	P	P
Couvaras S	P	P	P	LOA	LOA	LOA
Gwebu VS	P	P	P	P	P	P
Khoza NC	LOA	LOA	P	P	P	P
Khoza TS	P	P	P	P	RESIGNED	P
Khumalo RE	P	P	P	P	P	P
Ligthelm JH	P	P	P	LOA	LOA	LOA
Mabuza ET	P	P	P	P	P	P
Mabunda EE	P	P	P	P	P	P
Maganga M	P	P	P	P	P	P
Malomane HIK	P	P	P	P	P	LOA
Mahlalela TE	P	P	A	P	P	P
Makhubela SO	P	P	A	P	LOA	LOA
Manana PM	P	P	P	P	P	P
Manana SJ	P	P	P	P	P	P
Masilela DC	P	P	P	P	P	P
Mathe PA	P	P	P	A	P	P
Mathebula AM	P	P	P	P	P	P
Mathebula E	P	P	P	P	P	P
Mathobela NV	A	A	A	A	P	P
Mashava IS	P	P	A	A	P	P
Mashigo -Sekgobela S	P	P	P	A	P	P
Minnaar PCW	P	P	P	A	P	P
Mohlala CM	P	P	P	P	P	P
Mokoni CM	P	P	A	P	RESIGNED	RESIGNED
Monareng ML	P	P	P	P	P	P
Morema MJ	A	P	A	P	P	P
Mbandze F	P	P	A	P	P	P
Mgiba SB	P	P	A	A	RESIGNED	RESIGNED
Mhlaba RB	P	P	P	P	P	P
Mdluli ZA	P	P	P	P	P	P
Ndlovu ND	P	P	A	A	RESIGNED	RESIGNED
Mnisi MJ	P	P	P	P	P	P
Mphika RN	LOA	LOA	P	P	P	P

Nukeri K	A	A	A	A	A	A	A	A	A	A
Ngobeni- Khumalo B	P	P	P	P	P	P	P	P	P	P
Ngomane LP	L	P	P	P	P	P	P	P	P	P
Ngomane TE	P	P	P	P	P	P	P	P	P	P
Nkadimeng MF	A	A	A	A	A	A	A	A	A	A
Nkomo RN	P	P	P	P	P	P	P	P	P	P
Nkosi LF	P	P	P	P	P	P	P	LOA	LOA	LOA
Nkuna SB	A	A	A	A	A	A	A	P	P	P
Nxumalo CS	A	A	A	A	A	A	A	A	A	A
Preddy MMS	P	P	P	P	P	P	P	P	P	P
Qhibi R	A	A	A	A	A	A	A	RESIGNED	RESIGNED	RESIGNED
Robertson KP	P	P	P	P	P	P	P	P	P	P
Sebamba C	P	P	P	P	P	P	P	P	P	P
Selowe PT	P	P	P	P	P	P	P	P	P	P
Sibuyi TB	P	P	P	P	P	P	P	P	P	P
Sifunda HX	P	P	P	P	P	P	P	P	P	P
Sidell J	P	P	P	P	P	P	P	RESIGNED	RESIGNED	RESIGNED
Sihlabela HE	P	P	P	P	P	P	P	P	P	P
Siwela GS	P	P	P	P	P	P	P	P	P	P
Sithole S	P	P	P	P	P	P	P	P	P	P
Shabangu R	A	A	A	A	A	A	A	P	P	P
Shabangu EIT	P	P	P	P	P	P	P	P	P	P
Shakwane LC	P	P	P	P	P	P	P	P	P	P
Schorman SR	P	P	P	P	P	P	P	P	P	P
Shongwe MR	P	P	P	P	P	P	P	P	P	P
Thobakgale HP	P	P	P	P	P	P	P	P	P	P
Thobela SA	P	P	P	P	P	P	P	P	P	P
Vd Westhuizen M	LOA	LOA	LOA	LOA	LOA	LOA	LOA	P	P	P

P	Present
A	Absent
LOA	Leave of Absence

## APPENDIX B

### ATTENDANCE OF COUNCILLORS FOR PORTFOLIO MEETINGS: JULY 2023-JUNE 2024

#### CORPORATE SERVICES

	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
1	Councillor ET Mabuza (MMC 1 <sup>st</sup> and 2 <sup>nd</sup> quarter)	African National Congress	5
	S Mashigo-Sekgobela (MMC 3 <sup>rd</sup> and 4 <sup>th</sup> quarter)	African National Congress	3
2	Councillor SJ Manana	African National Congress	4
3	Councillor TE Ngomane	African National Congress	8
4	Councillor LP Ngomane	African National Congress	5
5	Councillor AM Mathebula	African National Congress	7
6	Councillor S Chauke	Economic Freedom Fighters	4
7	Councillor S Couvaras	Democratic Alliance	8
8	Councillor ML Monareng	ISANCO	6

#### ECONOMIC PLANNING AND DEVELOPMENT

	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
1	Councillor PT Selowe (MMC)	African National Congress	4
2	Councillor CM Mokoni	African National Congress	3
3	Councillor C Sabamba	African National Congress	4
4	Councillor S Sithole	African National Congress	3
5	Councillor BN Ngobeni	African National Congress	4
6	Councillor P Minnaar	Democratic Alliance	3
7	Councillor E Mathebula	ISANCO	4
8	Councillor B Sifunda	Economic Freedom Fighters	4

#### TECHNICAL SERVICES

	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
3	Councillor PA Mathe (MMC)	African National Congress	5
4	RB Mhlaba	African National Congress	4
5	HK Malomane	African National Congress	5
6	IS Mashava	African National Congress	5
7	SO Makhubela	African National Congress	4
8	ML Monareng	ISANCO	5
9	SR Schormann	Democratic Alliance	4
10	S Nkuna	Economic Freedom Fighters	2

## FINANCIAL SERVICES

	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
1	M Chembeni-Sahi (MMC 1 <sup>st</sup> quarter) passed away	African National Congress	2
	ET Mabuza (MMC from 2 <sup>nd</sup> quarter)	African National Congress	7
2	PP Chima	African National Congress	8
3	NC Khoza	African National Congress	6
4	EE Mabunda	African National Congress	6
5	M van der Westhuizen	Freedom Front Plus	8
6	VS Gwebu	Economic Freedom Fighters	6
7	MS Preddy	Democratic Alliance	8

## SOCIAL SERVICES

	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
	Councillor S Mashigo-Sekgobela (MMC 1 <sup>st</sup> and 2 <sup>nd</sup> quarter)	African National Congress	2
	Councillor P Manana (MMC from 3 <sup>rd</sup> quarter)	African National Congress	2
2	Councillor CM Mohlala	African National Congress	3
3	Councillor RS Shabangu	African National Congress	3
4	Councillor EE Mabunda	African National Congress	3
5	Councillor ND Ndlovu	Economic Freedom Fighters	3
6	Councillor M van der Westhuizen	Freedom Front Plus	2
7	Councillor N Mathobela	Democratic Alliance	4
8	Councillor HP Thobakgale	BBR Locals Movement	3

## DISASTER MANAGEMENT

	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
1	Councillor LC Shakwane (MMC)	African National Congress	4
2	Councillor NM Maganga	African National Congress	4
3	Councillor TE Mahlalela	African National Congress	3
4	Councillor HE Sihlabela	African National Congress	4
5	Councillor K Nukeri	African National Congress	3
6	Councillor KP Robertson	Freedom Front Plus	2
7	Councillor JH Ligthelm	Democratic Alliance	4
8	Councillor S Thobela	Economic Freedom Fighters	4

COMMUNITY SERVICES

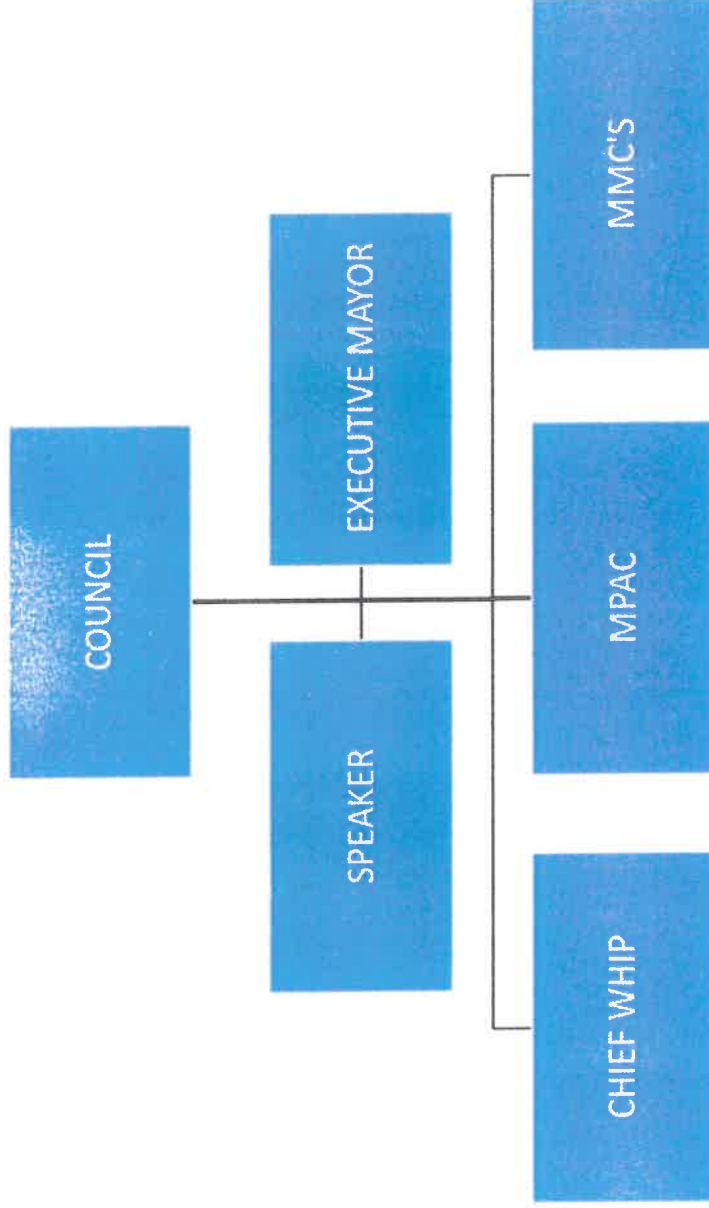
	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
1	Councillor MR Shongwe (MMC)	African National Congress	5
2	Councillor ZA Mdhuli	African National Congress	5
3	Councillor TB Sibuyi	African National Congress	4
4	Councillor LF Nkosi	African National Congress	4
5	Councillor MS Preddy	Democratic Alliance	4
6	Councillor R Nkomo	Economic Freedom Fighters	4
7	Councillor E Mathebula	ISANCO	5

STRATEGIC SERVICES

	<b>COUNCILLOR</b>	<b>PARTY</b>	<b>TOTAL MEETINGS ATTENDED</b>
1	Councillor EIT Shabangu (MMC)	African National Congress	7
2	Councillor TB Sibuyi	African National Congress	5
3	Councillor HE Sihlabela	African National Congress	4
4	Councillor NC Khoza	African National Congress	8
5	Councillor EE Mabunda	African National Congress	4
6	Councillor R Qhibi	Economic Freedom Fighters	3
7	Councillor SR Schormann	Democratic Alliance	7

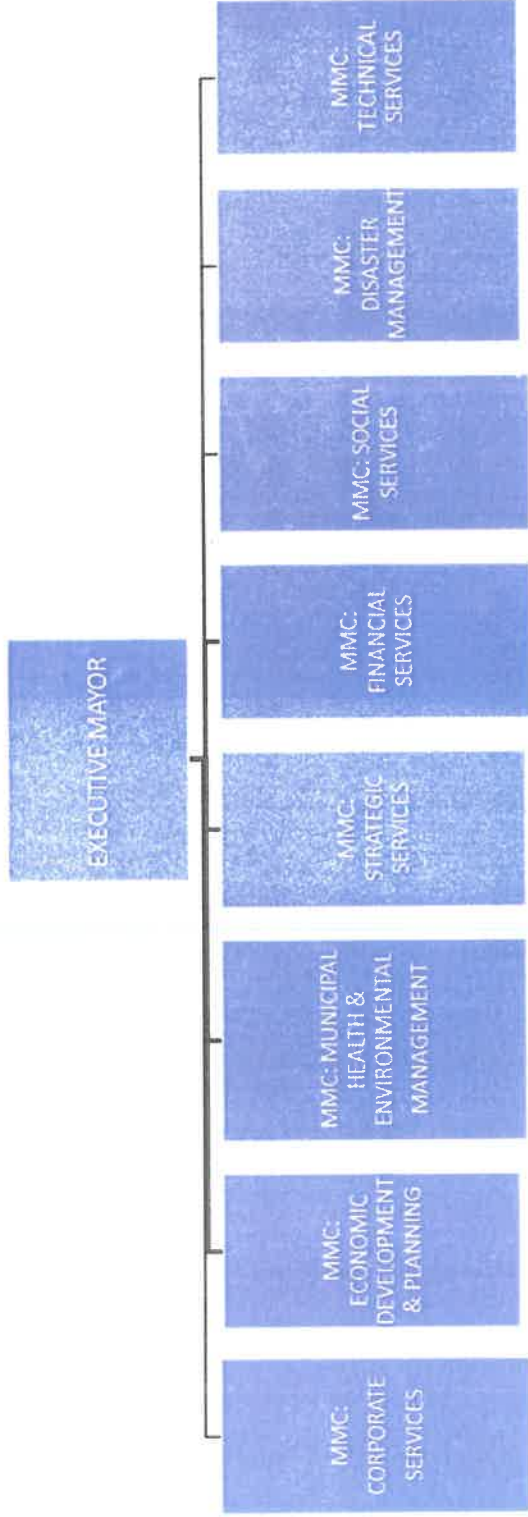
APPENDIX C

**LEGISLATIVE & EXECUTIVE ARMS OF COUNCIL**



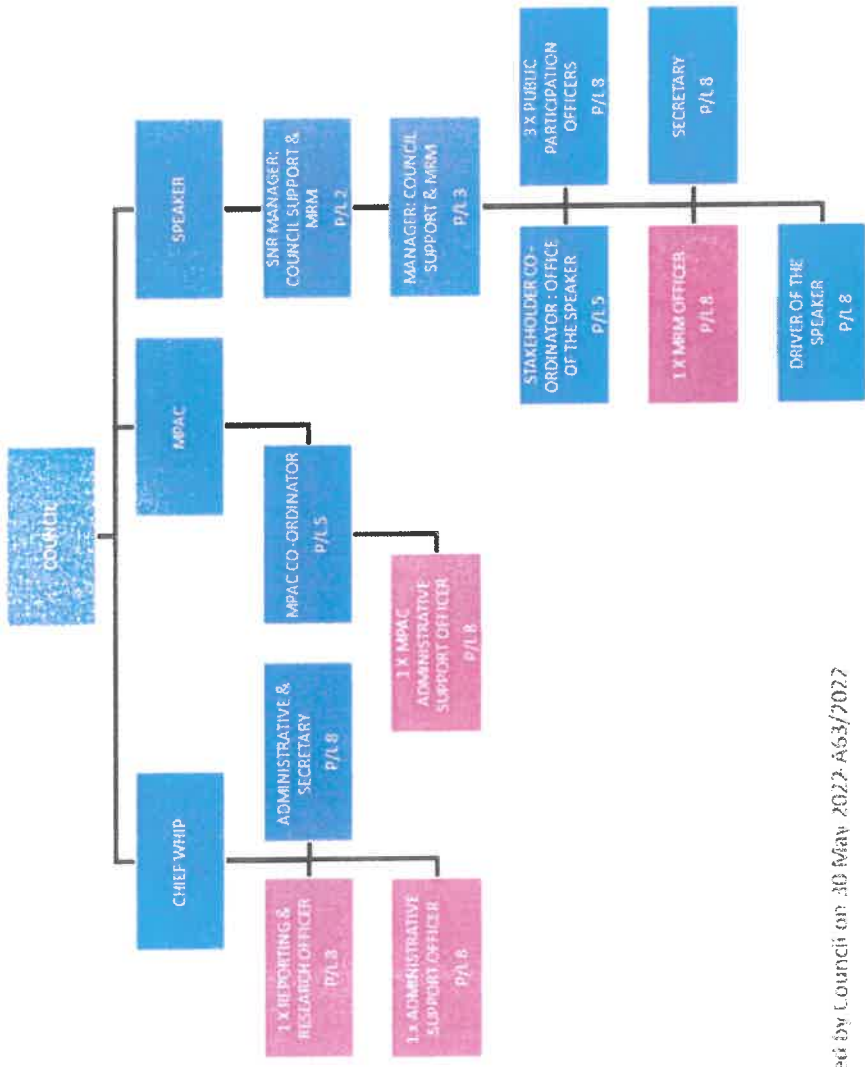
Approved by Council on 30 May 2022: A63/2022

**EXECUTIVE ARM**



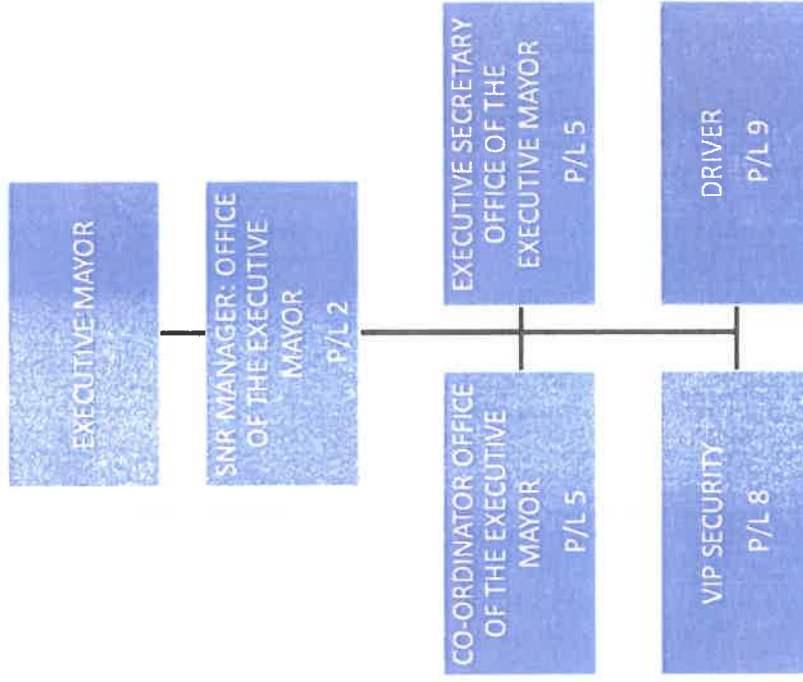
Approved by Council on 30 May 2027 A63/2027

# LEGISLATIVE ARM AND SUPPORT STAFF



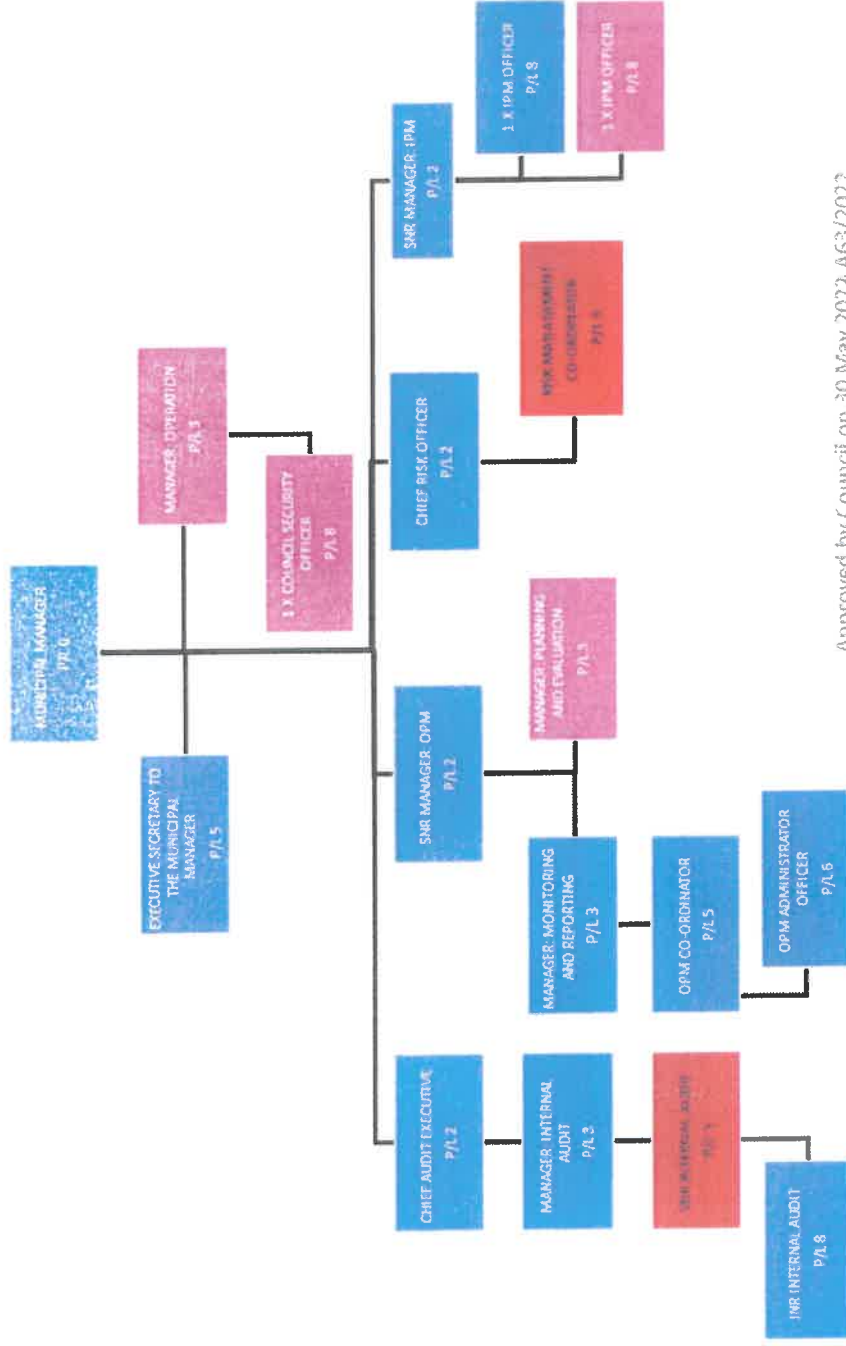
Approved by Council on 30 May 2022 A63/2022

# OFFICE OF THE EXECUTIVE MAYOR SUPPORT STAFF



Approved by Council at its 40 May 2022 AG3/2022

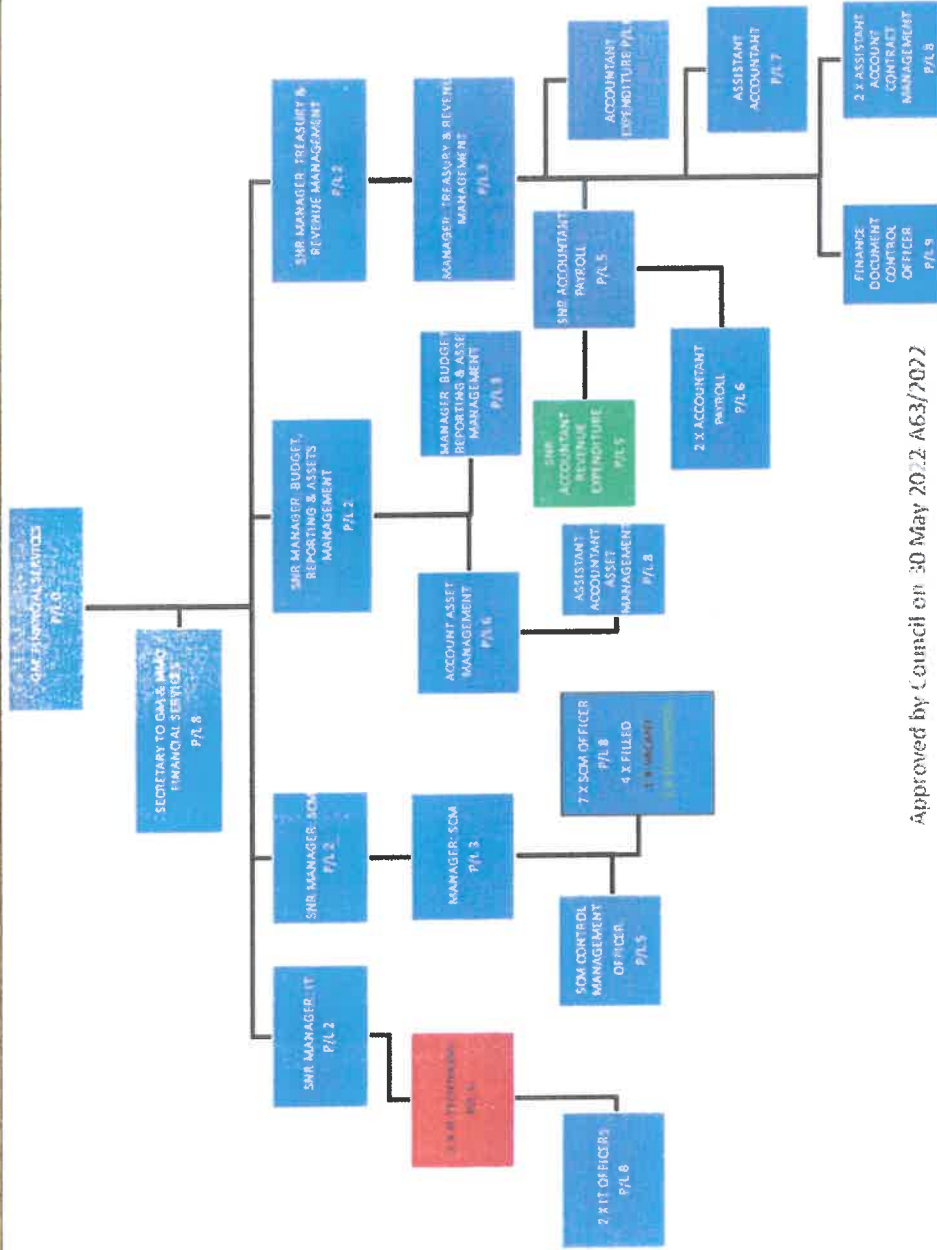
# OFFICE OF THE MUNICIPAL MANAGER



Approved by Council on 30 May 2022: A63/2022



# DEPARTMENT: FINANCIAL SERVICES

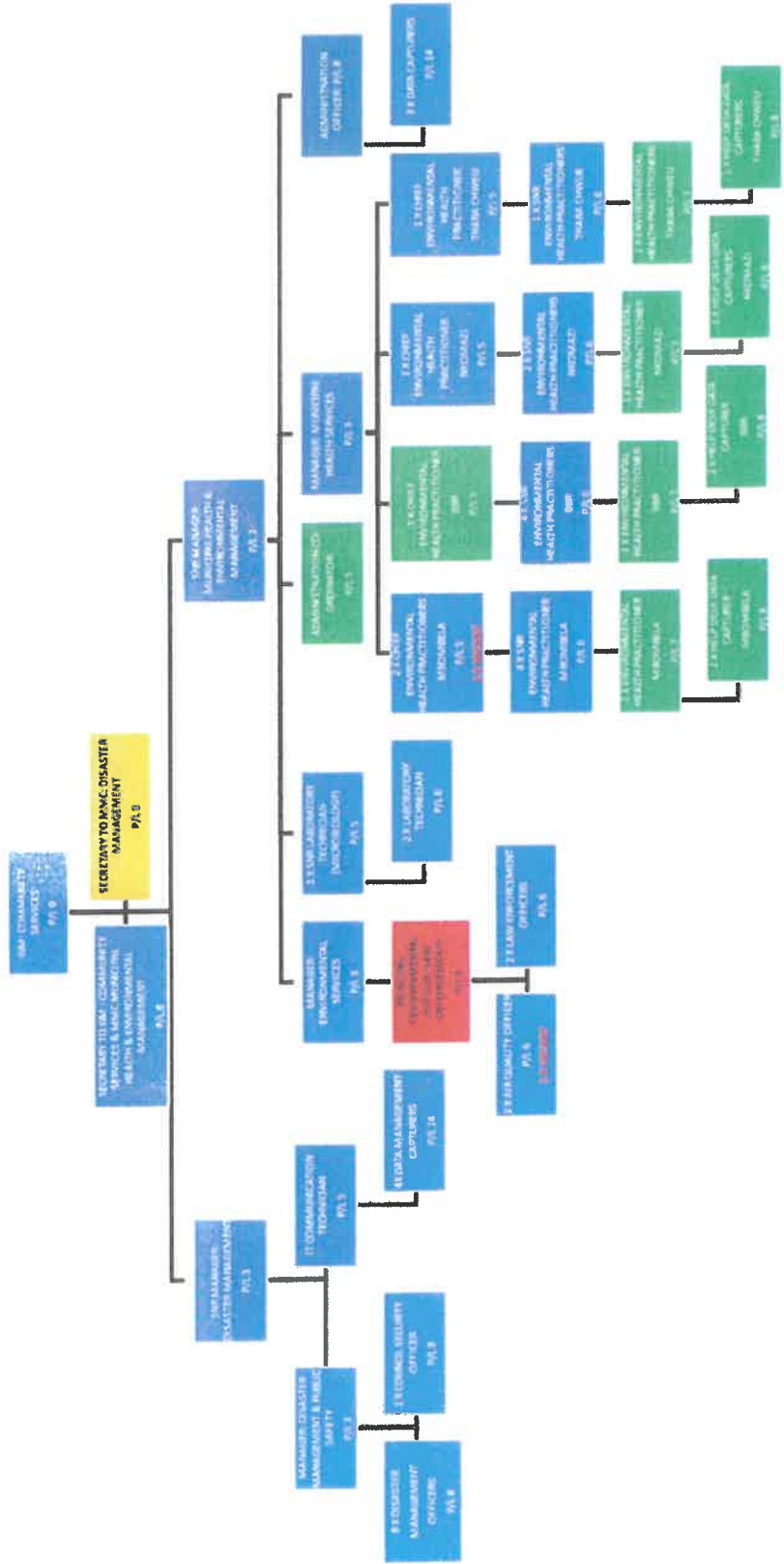


Approved by Council on 30 May 2022 A63/2022

6

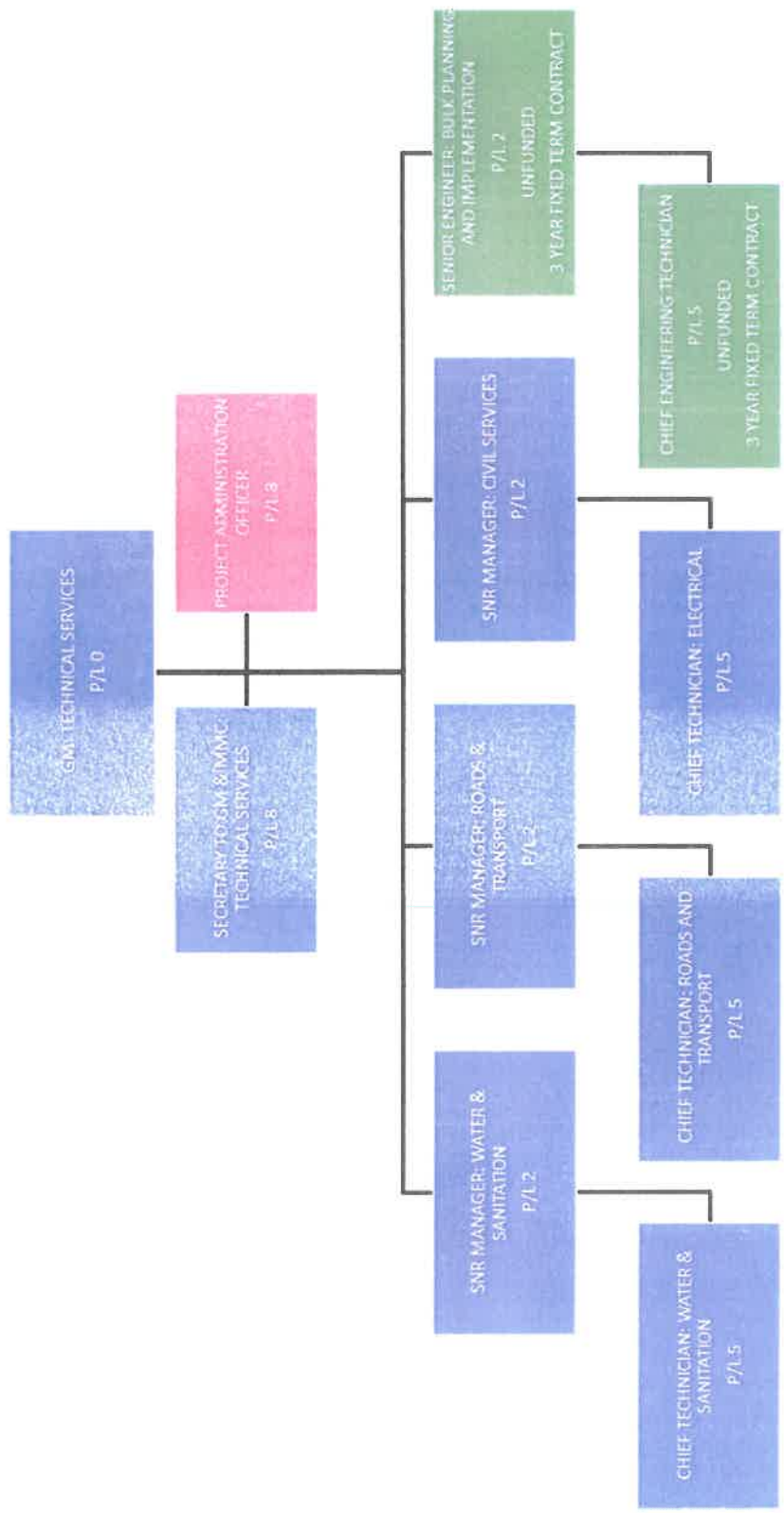


# DEPARTMENT: COMMUNITY SERVICES



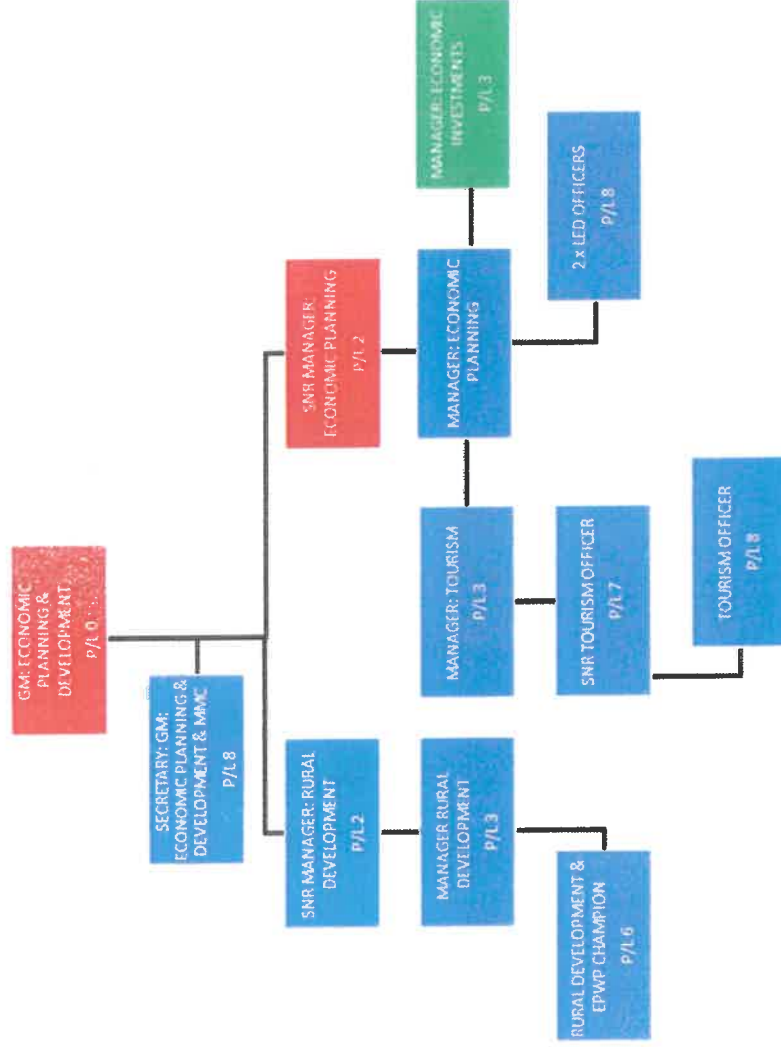
Approved by Council on 30 May 2022 A63/2022 8

# DEPARTMENT TECHNICAL SERVICES



Approved by Council on 30 May 2022 AG 5/2022

# DEPARTMENT ECONOMIC PLANNING & DEVELOPMENT



Approved by Council on 30 May 2022: A63/2022

## 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 FINANCIAL YEAR 2023-24

### ATTENDANCE OF MEETINGS

The Audit Committee members attendance of the meetings held for the financial year 2023-24 reported were as follows:

Members	Position	30 August 2023	23 November 2023	07 March 2024	28 June 2024
Ms Salome Mabilane	Chairperson	Attended	Attended	Apology	Apology
Mr Joseph Mpjane	Member	Apology	Apology	Attended	Apology
Mr. Raymond Maboe	Member	Attended	Attended	Attended	Attended
Ms S Lubisi	Member	Attended	Attended	Attended	Attended
Ms Pretty Makukule	Member	Attended	Apology	Attended	Attended

The Audit Committee has complied with Section 166 of the MFMA in that the reports for the financial year 2023-24 were reviewed by the Audit Committee and the necessary recommendations were made to management to ensure an improved control environment.

#### **Effectiveness of risk management**

The Audit Committee was satisfied with the effectiveness of the Risk Management processes of the Municipality, it was also recommended that Emerging risks be made part of the all the Risk Management Reports that serve at Audit Committee meetings. Continuous support to the risk management function will enable management to fully implement mitigation strategies this will also ensure achievement of the set objectives of the Municipality.

#### **Effectiveness of internal controls**

The Audit Committee took note that Internal Audit has been operating effectively. The committee further reviewed all the Internal Audit Reports issued during the financial year. The various reports issued by the Internal Audit unit have highlighted some areas where there were weaknesses in internal controls which management had to address. We also took note of all the recommendations made by the Internal Audit Unit in support of the identified weaknesses, and the Audit Committee has made a commitment to monitor the implementation of the Internal Audit recommendations.

#### **Effectiveness of governance**

The Committee took note that the Municipality has functional Governance Structures that meet regularly to ensure that they perform their Oversight duties. The Financial Disciplinary Board also meets regularly to process matters of Financial Misconduct. The Audit Committee further noted that Municipal Public Accounts Committee is effective and ensures that reports referred to it are tabled timeously to Council with appropriate recommendations on all their oversight responsibilities.

Overall the Audit Committee appreciated Management and the Political Leadership for the sterling work displayed in ensuring that the Municipality always upholds effective corporate governance;

### **Compliance with legislation**

We would like to commend management for their continued efforts that are put in place to improve the internal controls of the Municipality. Council should however note that there is still a lack of Consequence Management in the Municipality, and there is still continued non-compliance to deadlines for submission of Reports, which could lead to non-compliance with legislation. Council and Management should continuously address lack of commitment to reporting deadlines as a matter of urgency.

### **Evaluation of Annual Financial Statements and review of the Audit Action Plan**

The Audit Committee reviewed and discussed the Annual Financial Statements and made recommendations which together Internal Audit Recommendations were effected before submission to AG for the 2023-24 financial year. The Committee advised Management to put more effort to ensure that the Clean Audit result is retained without any findings (neither material nor immaterial) and that the municipality must also ensure that whilst addressing previous findings, the Municipality needs to identify and deal with the associated root causes so as to completely eliminate and prevent the recurrence of similar findings in the next Audit Cycle.

### **Performance Management**

The Audit Committee advised the Management to put measures in place to address the issue of poor planning as it is reported as the major contributor to the underperformance on the majority of the unachieved planned targets.

### **OVERALL OBSERVATION AND CONCLUSION**

Management should ensure that the recommendations made by the Audit Committee and the Internal Audit Unit are taken into consideration so as to improve the internal controls as this will have an impact on the audit outcome of the Municipality as well as effective delivery service.

Yours Faithfully



**Ms SV Mabilane**

**Chairperson of the Audit Committee**

## 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

Annexure

Annual Financial Statement ( attach as per CFO email)



**Ehlanzeni District Municipality  
Annual Financial Statements  
for the year ended 30 June 2024**

**Audited  
By**

**2024 -11- 29**

**Auditor General South Africa  
Mpumalanga Business Unit**

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## General Information

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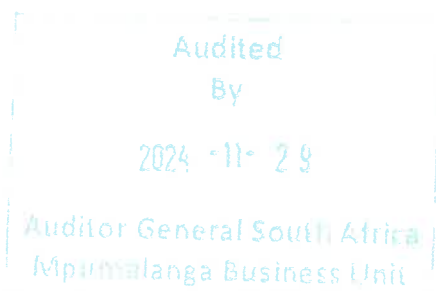
### Mayoral committee

Executive Mayor	Sidell J	(Resigned 13/06/2024)
Acting Executive Mayor	Shongwe MR	(Appointed 26/06/2024)
Speaker	Khumalo RE	
Chief Whip	Siwela GS	

Mayoral committee	Shongwe MR	(Until 13/06/2024)
	Mabuza ET	(Until 13/06/2024)
	Mathe PA	(Until 13/06/2024)
	Shabangu EIT	(Until 13/06/2024)
	Selowe PT	(Until 13/06/2024)
	Shakwane LC	(Until 13/06/2024)
	Chembeni-Sahi M	(Resigned 29/09/2023)
	Mashigo-Sekgobela S	(Until 13/06/2024)
	Manana PM	(Appointed 29/11/2023 until 13/6/2024)

### Councillors

Chuene KC	
Couvaras S	
Chauke SP	
Chima PP	
Mathobela NV	
Gwebu VS	
Khoza NC	
Khoza TS	(Resigned 13/06/2024)
Ligthelm JH	
Mabunda EE	
Maganga MN	
Malomane HK	
Makhubela SO	
Morema MJ	
Manana SJ	
Masilela DC	
Mathebula AM	
Sibuyi TB	
Mathebula E	
Mashava IS	
Mohlala CM	
Mokoni CM	(Resigned 26/06/2024)
Mbhandze F	
Mgiba SB	(Resigned 19/06/2024)
Mhlaba RB	
Mdhluli ZA	
Ngomane LP	
Ngomane TE	
Nkomo NR	
Nkosi LF	
Nkuna SB	
Preddy MMS	
Robertson KP	

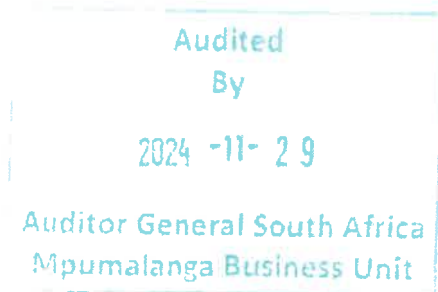


# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## General Information

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	Sebamba C	
	Sifunda HX	
	Sihlabela HE	
	Sithole SL	
	Minnaar PCW	
	Shabangu R	
	Schormann SR	
	Thobela SA	
	Tshabalala SB	
	Van Der Westhuizen M	
	Mahlalela TE	
	Ndlovu ND	(Resigned 14/06/2024)
	Mnisi MJ	
	Mphika RN	
	Nukeri K	
	Ngobeni-Khumalo B	
	Qhibi R	(Resigned 11/06/2024)
	Thobakgale HP	
	Monareng ML	
	Nxumalo CS	
	Nkadimeng F	
	5	
	DC32	
	Dr. NP Mahlalela	
	PO Mokoena	
	8 Van Niekerk Street	
	Mbombela	
	Mpumalanga	
	1200	
	P O Box 3333	
	Mbombela	
	Mpumalanga	
	1200	
	First National Bank Limited	
	Standard Bank of South Africa	
	Auditor General South Africa	
	SV Mabilane (Chairperson)	
	S Lubisi	
	PN Makukule	
	JN Mpjane	
	R Maboe	
	Mahumani Incorporated Attorneys	
	Thenjiwe Nkosi Attorneys	
	Matsane Attorneys	
	VZLR Attorneys	

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

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By  
Auditor General South Africa  
Mpumalanga - iLembe Unit

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Officer's Responsibilities and Approval

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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 she 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 2025 and, in the light of this review and the current financial position, she 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 74, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024

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**Dr. NP Mahialela**  
Accounting Officer

Audited  
By  
2024 -11- 29  
Auditor General South Africa  
Mpumalanga Business Unit

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Acronyms

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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
MSTA	Municipal Structures Act, 117 of 1998
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
WSIG	Water Services Infrastructure Grant

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Mpumalanga Business Unit

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	5	4,744,750	5,927,319
Investments	7	11,116,047	54,194,849
Receivables from exchange transactions	4	57,638,336	52,690,725
Statutory receivables	6	-	933,070
Cash and cash equivalents	3	4,196,823	794,316
		<b>77,695,956</b>	<b>114,540,279</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	186,738,624	185,916,696
Intangible assets	9	3,477,716	4,060,966
Investments	7	1,350,740	1,196,241
		<b>191,567,080</b>	<b>191,173,903</b>
<b>Total Assets</b>		<b>269,263,036</b>	<b>305,714,182</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Current portion of borrowings	12	12,105,270	10,835,812
Finance lease obligation	13	489,377	543,432
Payables from exchange transactions	10	54,089,461	53,365,115
Statutory payables	6	330,551	-
Provisions	11	13,828,171	14,130,317
		<b>80,842,830</b>	<b>78,874,676</b>
<b>Non-Current Liabilities</b>			
Non-current portion of borrowings	12	74,038,747	86,144,324
Finance lease obligation	13	-	489,377
Provisions	11	32,677,911	32,287,572
		<b>106,716,658</b>	<b>118,921,273</b>
<b>Total Liabilities</b>		<b>187,559,488</b>	<b>197,795,949</b>
<b>Net Assets</b>		<b>81,703,548</b>	<b>107,918,233</b>
Accumulated surplus		81,703,548	107,918,233

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2024 -11- 29  
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Mpumalanga Business Unit

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Construction contracts	33	72,851,296	53,075,035
Operational income	33	1,278,205	802,945
Rental of facilities and equipment	33	198,000	202,970
Interest received	31	9,052,258	9,224,958
Dividends received	33	183,392	165,053
<b>Revenue from non-exchange transactions</b>			
Government grants & subsidies	14	311,530,826	291,204,865
Fines & penalties	33	661,432	418,849
<b>Total revenue</b>		<b>395,755,409</b>	<b>355,094,675</b>
<b>Expenditure</b>			
Employee related cost	15	(167,400,846)	(158,697,700)
Remuneration of councillors	16	(19,668,384)	(20,461,750)
Audit fees	22	(5,196,078)	(4,392,336)
Construction contract costs		(73,512,727)	(53,493,884)
Depreciation and amortisation	17	(12,090,026)	(9,497,883)
Provision for debt impairment	4	(1,716,374)	(573,093)
Finance costs	18	(15,153,310)	(16,084,765)
Bad debts written off		-	(70,830)
Repairs and maintenance	19	(5,540,409)	(6,426,172)
Contracted services	20	(40,103,362)	(32,976,685)
Operational expenses	23	(60,324,201)	(47,268,413)
<b>Total expenditure</b>		<b>(400,705,717)</b>	<b>(349,943,081)</b>
<b>Operating (deficit) surplus</b>		<b>(4,950,308)</b>	<b>5,151,594</b>
Grants and subsidies	21	(27,231,086)	(28,401,300)
Loss on disposal of assets		(52,281)	(210,087)
Gain on fair value adjustment	7	1,448,201	385,018
Actuarial gain	11	4,578,000	5,370,000
<b>Deficit for the year</b>		<b>(26,207,474)</b>	<b>(17,704,775)</b>

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2024 06 28  
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Khumalanga Business Unit

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	122,351,228	122,351,228
Adjustments		
Unknown Direct Bank Deposits Liability Written Off - note 39	121,956	121,956
Prior period adjustments - prior period	2,999,973	2,999,973
<b>Balance at 01 July 2022 as restated</b>	<b>125,473,157</b>	<b>125,473,157</b>
Changes in net assets		
Deficit for the year	(17,704,775)	(17,704,775)
Prior period adjustments - prior period	149,851	149,851
Total changes	(17,554,924)	(17,554,924)
Opening balance as previously reported	108,091,197	108,091,197
Adjustments		
Prior period adjustments - note 39	(172,964)	(172,964)
<b>Balance at 01 July 2023 as restated</b>	<b>107,918,233</b>	<b>107,918,233</b>
Changes in net assets		
Deficit for the year	(26,207,474)	(26,207,474)
Prior period adjustments - note 39	(7,211)	(7,211)
Total changes	(26,214,685)	(26,214,685)
<b>Balance at 30 June 2024</b>	<b>81,703,548</b>	<b>81,703,548</b>

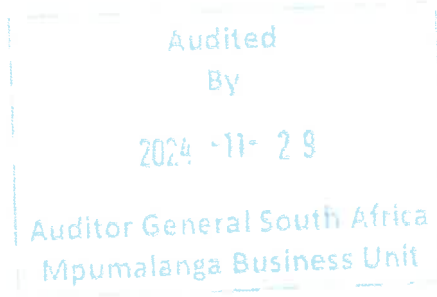
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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
SARS VAT refunds		16,727,339	15,099,826
Grants and subsidies		312,285,826	290,449,865
Interest received		9,288,849	8,528,425
Construction contracts receipts		76,131,529	68,064,293
Other receipts		27,417,984	7,732,711
		<u>441,851,527</u>	<u>389,875,120</u>
<b>Payments</b>			
Employee costs		(194,862,842)	(179,459,034)
Suppliers		(170,917,635)	(144,038,970)
Finance costs		(10,529,351)	(11,795,764)
Construction contracts payments		(82,969,866)	(64,500,99)
		<u>(459,279,694)</u>	<u>(399,797,037)</u>
<b>Net cash flows from operating activities</b>	24	<b>(17,428,167)</b>	<b>(9,921,917)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(12,127,695)	(5,747,840)
Proceeds from sale of property, plant and equipment		629,254	219,960
Purchase of intangible assets	9	(663,822)	(1,370,874)
Movement in investments		44,372,488	26,538,292
		<u>32,210,225</u>	<u>19,639,538</u>
<b>Net cash flows from investing activities</b>		<b>32,210,225</b>	<b>19,639,538</b>
<b>Cash flows from financing activities</b>			
Repayment of long-term liabilities		(10,836,119)	(9,746,834)
Increase/(decrease) finance leases		(543,432)	(499,299)
		<u>(11,379,551)</u>	<u>(10,246,133)</u>
<b>Net cash flows from financing activities</b>		<b>(11,379,551)</b>	<b>(10,246,133)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,402,507</b>	<b>(5,528,512)</b>
Cash and cash equivalents at the beginning of the year		794,316	1,322,828
<b>Cash and cash equivalents at the end of the year</b>	3	<b>4,196,823</b>	<b>794,316</b>



# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## 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						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Construction contracts	-	86,918,236	86,918,236	72,851,296	(14,066,940)	Note 38.1
Operational income	1,962,033	133,000	2,095,033	1,278,205	(816,828)	Note 38.2
Rental of facilities and equipment	1,402,500	-	1,402,500	198,000	(1,204,500)	Note 38.3
Interest received	10,034,954	150,000	10,184,954	9,052,258	(1,132,696)	Note 38.4
Dividends received	161,248	-	161,248	183,392	22,144	Note 38.5
<b>Total revenue from exchange transactions</b>	<b>13,560,735</b>	<b>87,201,236</b>	<b>100,761,971</b>	<b>83,563,151</b>	<b>(17,198,820)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	301,951,000	11,614,000	313,565,000	311,530,826	(2,034,174)	
<b>Transfer revenue</b>						
Fines	-	-	-	661,432	661,432	Note 38.6
<b>Total revenue from non-exchange transactions</b>	<b>301,951,000</b>	<b>11,614,000</b>	<b>313,565,000</b>	<b>312,192,258</b>	<b>(1,372,742)</b>	
<b>Total revenue</b>	<b>315,511,735</b>	<b>98,815,236</b>	<b>414,326,971</b>	<b>395,755,409</b>	<b>(18,571,562)</b>	
<b>Expenditure</b>						
Employee related cost	(171,484,331)	3,932,733	(167,551,598)	(167,400,846)	150,752	
Remuneration of councillors	(21,628,496)	1,959,065	(19,669,431)	(19,668,384)	1,047	
Audit fees	(3,038,150)	(2,158,000)	(5,196,150)	(5,196,078)	72	
Construction contract costs	-	(87,171,352)	(87,171,352)	(73,512,727)	13,658,625	Note 38.1
Depreciation and amortisation	(12,698,000)	493,488	(12,204,512)	(12,090,026)	114,486	
Provision for bad debts	-	(1,720,000)	(1,720,000)	(1,716,374)	3,626	
Finance costs	(10,560,094)	(4,594,058)	(15,154,152)	(15,153,310)	842	
Repairs and maintenance	(5,244,805)	(296,622)	(5,541,427)	(5,540,409)	1,018	
Contracted services	(34,294,805)	(6,030,463)	(40,325,268)	(40,103,362)	221,906	
Operational expenses	(40,570,375)	(19,837,589)	(60,407,964)	(60,324,201)	83,763	
<b>Total expenditure</b>	<b>(299,519,056)</b>	<b>(115,422,798)</b>	<b>(414,941,854)</b>	<b>(400,705,717)</b>	<b>14,236,137</b>	
<b>Operating surplus/(deficit)</b>	<b>15,992,679</b>	<b>(16,607,562)</b>	<b>(614,883)</b>	<b>(4,950,308)</b>	<b>(4,335,425)</b>	Note 38.19
Grants and subsidies	-	-	-	(27,231,086)	(27,231,086)	Note 38.7
Loss on disposal of assets	-	-	-	(52,281)	(52,281)	Note 38.8
Gain on fair value adjustment	-	-	-	1,448,201	1,448,201	Note 38.9
Actuarial gain	-	4,578,000	4,578,000	4,578,000	-	
	-	4,578,000	4,578,000	(21,257,166)	(25,835,166)	
<b>(Surplus/(deficit) for the year</b>	<b>15,992,679</b>	<b>(12,029,562)</b>	<b>3,963,117</b>	<b>(26,207,474)</b>	<b>(30,170,591)</b>	Note 38.20

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Mpumalanga Business Unit

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## 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
Figures in Rand						
Auditor General South Africa Mpumalanga Business Unit						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	12,339,287	-	12,339,287	4,744,750	(7,594,537)	Note 38.10
Investments	-	-	-	11,116,047	11,116,047	Note 38.11
Receivables from exchange transactions	43,270,346	-	43,270,346	57,638,336	14,367,990	Note 38.12
Statutory receivables	6,451,013	-	6,451,013	-	(6,451,013)	Note 38.13
Cash and cash equivalents	78,235,133	(12,636,884)	65,598,249	4,196,823	(61,401,426)	Note 38.11
	<b>140,295,779</b>	<b>(12,636,884)</b>	<b>127,658,895</b>	<b>77,695,956</b>	<b>(49,962,939)</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	219,153,638	98,423,642	317,577,280	186,738,624	(130,838,656)	Note 38.14
Intangible assets	14,542,940	2,197,498	16,740,438	3,477,716	(13,262,722)	Note 38.14
Investments	4,155,462	-	4,155,462	1,350,740	(2,804,722)	Note 38.11
	<b>237,852,040</b>	<b>100,621,140</b>	<b>338,473,180</b>	<b>191,567,080</b>	<b>(146,906,100)</b>	
<b>Total Assets</b>	<b>378,147,819</b>	<b>87,984,256</b>	<b>466,132,075</b>	<b>269,263,036</b>	<b>(196,869,039)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Short-term portion of non-current borrowings	10,835,811	-	10,835,811	12,105,270	1,269,459	Note 38.15
Finance lease obligation	-	-	-	489,377	489,377	Note 38.17
Payables from exchange transactions	62,103,782	-	62,103,782	54,089,461	(8,014,321)	Note 38.16
VAT payable	-	-	-	330,551	330,551	Note 38.13
Provisions	13,960,837	-	13,960,837	13,828,171	(132,666)	
	<b>86,900,430</b>	<b>-</b>	<b>86,900,430</b>	<b>80,842,830</b>	<b>(6,057,600)</b>	
<b>Non-Current Liabilities</b>						
Non-current portion of borrowings	64,470,058	-	64,470,058	74,038,747	9,568,689	Note 38.15
Provisions	32,169,891	-	32,169,891	32,677,911	508,020	
	<b>96,639,949</b>	<b>-</b>	<b>96,639,949</b>	<b>106,716,658</b>	<b>10,076,709</b>	
<b>Total Liabilities</b>	<b>183,540,379</b>	<b>-</b>	<b>183,540,379</b>	<b>187,559,488</b>	<b>4,019,109</b>	
<b>Net Assets</b>	<b>194,607,440</b>	<b>87,984,256</b>	<b>282,591,696</b>	<b>81,703,548</b>	<b>(200,888,148)</b>	Note 38.21
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	194,607,440	87,984,256	282,591,696	81,703,548	(200,888,148)	Note 38.21

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## 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
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Grants	301,951,000	(177,000)	301,774,000	312,285,826	10,511,826	
Interest income	10,034,954	150,000	10,184,954	9,288,849	(896,105)	
Dividends received	161,248	-	161,248	-	(161,248)	Note 38.5
Other receipts	14,459,684	13,611,048	28,070,732	44,145,323	16,074,591	Note 38.18
Construction contract receipts	-	86,918,236	86,918,236	76,131,529	(10,786,707)	Note 38.1
	<b>326,606,886</b>	<b>100,502,284</b>	<b>427,109,170</b>	<b>441,851,527</b>	<b>14,742,357</b>	
<b>Payments</b>						
Employee related costs	(190,165,676)	8,531,593	(181,634,083)	(194,862,842)	(13,228,759)	
Suppliers	(87,063,884)	(55,038,458)	(142,102,342)	(170,917,635)	(28,815,293)	Note 38.22
Finance costs	(10,034,954)	(494,208)	(10,529,162)	(10,529,351)	(189)	
Construction contract payments	-	(87,171,352)	(87,171,352)	(82,969,866)	4,201,486	Note 38.1
	<b>(287,264,514)</b>	<b>(134,172,425)</b>	<b>(421,436,939)</b>	<b>(459,279,694)</b>	<b>(37,842,755)</b>	
<b>Net cash flows from operating activities</b>	<b>39,342,372</b>	<b>(33,670,141)</b>	<b>5,672,231</b>	<b>(17,428,167)</b>	<b>(23,100,398)</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(34,613,750)	17,321,252	(17,292,498)	(12,791,517)	4,500,981	Note 38.14
Movement in investments	443,457	3,712,005	4,155,462	44,372,488	40,217,026	Note 38.11
Proceeds from sale of assets	-	-	-	629,254	629,254	Note 38.8
<b>Net cash flows from investing activities</b>	<b>(34,170,293)</b>	<b>21,033,257</b>	<b>(13,137,036)</b>	<b>32,210,225</b>	<b>45,347,261</b>	
<b>Cash flows from financing activities</b>						
Repayment of borrowings	(10,835,811)	-	(10,835,811)	(10,836,119)	(308)	
Increase/(decrease) in finance leases	-	-	-	(543,432)	(543,432)	Note 38.17
<b>Net cash flows from financing activities</b>	<b>(10,835,811)</b>	<b>-</b>	<b>(10,835,811)</b>	<b>(11,379,551)</b>	<b>(543,740)</b>	
Net increase/(decrease) in cash and cash equivalents	(5,663,732)	(12,636,884)	(18,300,616)	3,402,507	21,703,123	
Cash and cash equivalents at the beginning of the year	83,898,864	-	83,898,864	794,316	(83,104,548)	Note 38.11
<b>Cash and cash equivalents at the end of the year</b>	<b>78,235,132</b>	<b>(12,636,884)</b>	<b>65,598,248</b>	<b>4,196,823</b>	<b>(61,401,425)</b>	

The original budget was mainly adjusted during the year to appropriate unforeseen and unavoidable expenditure, roll-over of unspent funds from prior financial year, in addition to re-allocate and shift savings between line items and votes. Furthermore, the budget was adjusted to align certain line items and transactions to the reporting requirements of GRAP standards.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 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

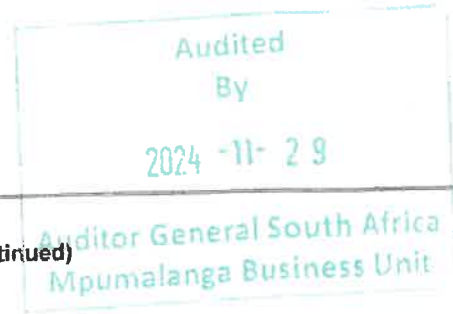
The municipality reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable service amounts of non-cash-generating assets have been determined based on the higher of value in use calculations 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 2024

## 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 in addition, also taking into account any payments arrangement or confirmation made by the customers or debtors as at authorisation date. 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 2024

## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

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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 an 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

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

Buildings	50 years
Plant and machinery	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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# Ehlanzeni District Municipality

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## Accounting Policies

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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	Useful life
Computer software	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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Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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 entity becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

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## Accounting Policies

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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 municipality 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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## Accounting Policies

### 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 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 entity 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 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is a municipality that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The municipality assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

### 1.9 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.

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### 1.9 Impairment of non-cash-generating assets (continued)

#### 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.

#### 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.

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### 1.9 Impairment of non-cash-generating assets (continued)

#### 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.

### 1.10 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 municipality 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 municipality 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 municipality 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.

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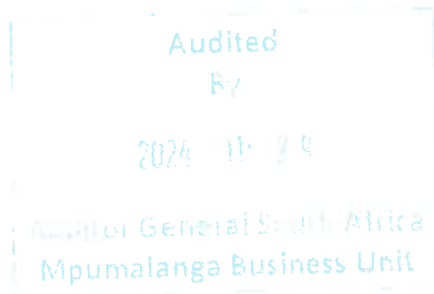
### 1.10 Employee benefits (continued)

#### 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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### 1.10 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 entity (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.

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### 1.10 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 municipality 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 entity 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).

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### 1.10 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.

### 1.11 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.

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### 1.11 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.

### 1.12 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.

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### 1.12 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.

### 1.13 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.

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### 1.13 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.

### 1.14 Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

The definition of expense encompasses all cost that arise from the ordinary activities of the municipality, recognised, and classified by type on the statement of financial performance.

Losses also are regarded as expense as long the nature and extent of the losses meet definition of expenses even if may, may not, arise in the course of the ordinary activities of the municipality. When losses are recognised in the statement of financial performance, they would be displayed separately because knowledge of them is useful for the purpose of making economic decisions.

Expense is classified based on either their nature or their function as per the provisions in GRAP 1. The point at which an expense is recognised is dependent on the nature of the transaction or other event that gives rise to the expense.

### 1.15 Accounting for adjustment to revenue

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

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### 1.15 Accounting for adjustment to revenue (continued)

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.

### 1.16 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.

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 1.9. 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.

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### 1.17 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.

### 1.18 Comparative information

Whenever it is appropriate, the GRAP 1 provision would be applied to reclassify comparative information to enhance inter-period comparability of financial information. This reclassification is done to assist users in making and evaluating decisions, especially to allow the performance of financial trends analysis and assessment for predictable purposes.

The rationale and details for this additional comparative information reclassification other than what is a requirement of GRAP 3 provisions would be separately stated on a disclosure note to the annual financial statements.

### 1.19 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.

### 1.20 Fruitless and wasteful expenditure

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

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.

### 1.21 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.

### 1.22 Presentation of currency

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

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.23 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.

### 1.24 Changes in accounting policy, accounting estimates and correction of error

Changes in accounting policies are applied retrospectively in accordance with the requirements of Generally Recognised Accounting Practise (GRAP) 3, except to the extent that it is impractical to determine the period specific of the cumulative effect of the change in accounting policy. In such instances the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which the retrospective restatement is practical.

Changes in accounting estimates are applied prospectively in accordance with the requirements of Generally Recognised Accounting Practise (GRAP) 3. The detailed information of the change in accounting estimates is disclosed in the notes to the annual financial statements.

Correction of errors is applied retrospectively in the period to which the error has occurred in accordance with the requirements of Generally Recognised Accounting Practise (GRAP) 3, except to the extent that it is impractical to determine the period specific of the cumulative effect of the change in accounting policy. In such instances the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which the retrospective restatement is practical.

### 1.25 Value Added Tax

The municipality accounts for VAT on the payment basis.

### 1.26 Budget information

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

The approved budget covers the fiscal period from 1 July 2023 to 30 June 2024.

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.

Audited  
By

2024-11-29

Auditor General South Africa  
Mpumalanga Business Unit

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.27 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.

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.

### 1.28 Going concern assumption

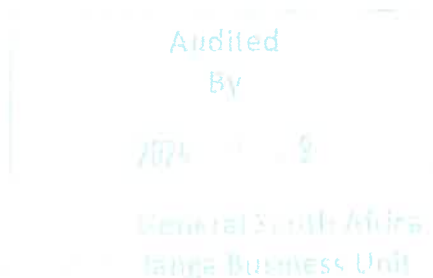
These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

### 1.29 Commitments

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

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 2024

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By

2024 -11- 29

Auditor General South  
Mpumalanga C

## Notes to the Annual Financial Statements

### 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 2024 or later periods:

##### **GRAP 1 (amended): Presentation of Financial Statements**

Guidance included in GRAP 1 to explain the application of going concern by public sector entities. The guidance also clarifies that the going concern basis remains appropriate even if some, or all of an entity's functions are transferred to another entity, or when the entity is involved in a merger.

Disclosures on management's assessment of the entity's ability to continue as a going concern expanded. This is in response to the diversity in practice about the information presented in the financial statements on going concern, material uncertainties relating to going concern and actions taken by management to mitigate these.

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.

##### **GRAP 103 (amended): Heritage Assets**

The key changes proposed to the Standard are as follows:

**Definition of a heritage asset** – The definition has been amended to align it more closely with the definition of a heritage asset in legislation. The definition focuses on assets with cultural significance, and explains what cultural significance means in legislation.

**Accounting for heritage assets with an alternative use** – Heritage assets could have cultural significance while being used for operational or other purposes by an entity. Previously, heritage assets with another purpose were accounted for based on this other use. The new proposal is that all heritage assets should be accounted for using GRAP 103.

**Measurement of heritage assets** – Stakeholders raised concerns about the measurement of heritage assets. These issues related to:

- (a) initial recognition using fair value, and in what circumstances a reliable measure cannot be determined,
- (b) determining fair value, and
- (c) the valuation process.

Guidance has been added to GRAP 103 to explain when a reliable measure is not available, and additional methods that could be used to determine fair value. The Board also agreed that entities should keep assessing whether a reliable value becomes available after initial recognition.

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.

##### **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

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

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.

### GRAP 105 - GRAP 107 (revised): Communique

The communique summarises the revisions to the standards of GRAP on transfer of functions between entities under common control (GRAP 105), transfer of functions between entities not under common control (GRAP 106), and mergers (GRAP 107). These revisions were approved by the Accounting Services Board in December 2023.

The Minister of Finance has not yet determined an effective date for these revisions.

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.

### IGRAP 22: Foreign Currency Transactions and Advance Consideration

This interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

The Minister of Finance has not yet determined an effective date for these revisions.

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

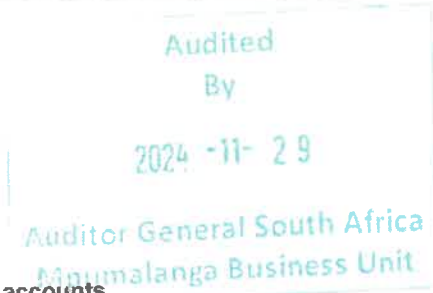
The impact of this standard is currently being assessed.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	4,000	4,000
Bank balances	4,192,823	790,316
	<b>4,196,823</b>	<b>794,316</b>



The municipality had the following bank accounts

Account number / description	Bank statement and cash book balances		
	30 June 2024	30 June 2023	30 June 2022
FNB Cheque account - 62 113 491 419	330,727	790,316	1,141,615
FNB Cheque account - 62 737 784 109	-	-	391
FNB Cheque account - 62 852 994 592	-	-	176,822
Standard Bank Cheque account - 25 336 5864 (Primary bank account)	3,861,596	-	-
Standard Bank Cheque account - 25 336 5791	500	-	-
<b>Total</b>	<b>4,192,823</b>	<b>790,316</b>	<b>1,318,828</b>

### 4. Receivables from exchange transactions

Trade and other receivables	29,683,080	28,778,126
Construction contract receivables	26,966,455	21,499,079
Prepayments	988,801	2,413,520
	<b>57,638,336</b>	<b>52,690,725</b>

#### Trade and other receivables

	Gross balance	Allowance for debt impairment	Total
<b>2024</b>			
Trade and other receivables	43,216,329	(13,533,249)	29,683,080
<b>2023</b>			
Trade and other receivables	40,595,001	(11,816,875)	28,778,126

#### Trade and other receivables: Ageing

Current	3,464,274	16,545,372
30+ days	1,685,363	2,331,294
60+ days	1,886,698	2,060,084
90+ days	1,794,765	499,310
120+ days	3,347,229	6,993,423
180+ days	8,473,241	-
365+ days	9,031,510	348,643

#### Trade and other receivables impaired

Current	(740,061)	(6,543,406)
30+ days	(308,435)	-
90+ days	(6,577)	-
120+ days	(35,125)	-
180+ days	(263,045)	-
365+ days	(12,180,006)	(5,273,469)

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Reconciliation of provision for impairment of trade and other receivables</b>		
Opening balance	(11,816,875)	(11,243,782)
Provision for impairment	(1,716,374)	(6,543,406)
Impairment provision reversal	-	5,970,313
	<b>(13,533,249)</b>	<b>(11,816,875)</b>

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.

### 5. Inventories

Work in progress - assets to be transferred	1,388,232	2,302,386
Consumable stores	276,518	217,280
Land to be transferred	3,080,000	3,080,000
COVID-19 supplies	-	327,653
	<b>4,744,750</b>	<b>5,927,319</b>
<b>Consumables</b>		
Opening balance	217,280	263,163
Additions	2,160,320	1,021,446
Issued	(2,091,490)	(1,051,365)
Inventory written off	(9,592)	(15,964)
<b>Closing balance</b>	<b>276,518</b>	<b>217,280</b>

Consumables comprise of office stationery and cartridges.

#### COVID-19 supplies

Opening balance	327,653	444,138
Issued	(111,596)	(116,485)
Inventory written off	(216,057)	-
<b>Closing balance</b>	<b>-</b>	<b>327,653</b>

COVID-19 supplies comprises of hand sanitizers and personal protective equipment.

#### Reconciliation of work in progress - assets to be transferred 2024

	Opening balance	Additions	Transfers	Closing balance
Work in progress - assets to be transferred	2,302,386	11,013,136	(11,927,290)	1,388,232

#### Reconciliation of work in progress - assets to be transferred 2023

	Opening balance	Additions	Transfers	Closing balance
Work in progress - assets to be transferred	12,161,984	12,077,039	(21,936,637)	2,302,386

# Ehlanzeni District Municipality

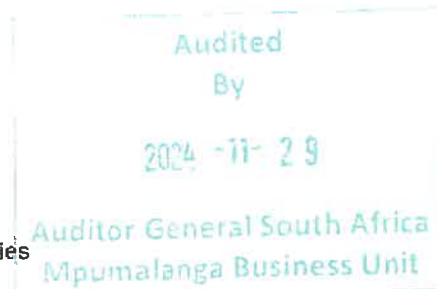
Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>6. Statutory receivables /(payables)</b>		
VAT receivables/(payables)	(330,551)	178,070
Government grants and subsidies	-	755,000
	<b>(330,551)</b>	<b>933,070</b>

### Statutory receivables/(payables) reconciliation

2024	Gross balance	Allowance for debt impairment	Total
VAT payables	(330,551)	-	(330,551)
	<b>(330,551)</b>	<b>-</b>	<b>(330,551)</b>
2023	Gross balance	Allowance for debt impairment	Total
Government grants and subsidies	755,000	-	755,000
VAT receivables	178,070	-	178,070
	<b>933,070</b>	<b>-</b>	<b>933,070</b>



### Statutory receivables/(payables): Ageing

Current	(330,551)	933,070
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Statutory receivables/(payables) arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. The transactions that gave rise to the above statutory receivables were in reference to the Value Added Tax Act (VAT) and Skills Development Act. The VAT receivable amount has been determined as prescribed on the VAT Act, which the current prescribed 15% VAT rate was charged on vatiable goods or services and the amount disclosed as receivable is the net of VAT input and output.

The government grants and subsidies receivable emanates from discretionary grant funding agreement between the municipality and Local Government Sector Education and Training Authority (LGSETA) in accordance with the Skills Development Act. The amount receivable was determined on the basis of the terms and conditions of the funding agreement met by the municipality as at the reporting date.

No interest or other charges were levied on the above amounts. The basis to test impairment would be if there is reasonable doubt that the full amounts above would not be realised by the municipality, of which no such reason exist at this stage, therefore there is no impairment on the above statutory receivables. The receivables are expected to be recovered in reasonable time hence no discount rate has been applied for future cashflows. The municipality does not hold any form of collateral as security.

The maximum exposure to credit risk at the reporting date is the fair value of each class of debtor mentioned above.

The fair value of statutory receivables and payables approximates their carrying amounts.

### Reconciliation of VAT receivables/(payables) 2024

	Opening balance	Amounts claimed	Amounts received	Amounts accrued	Closing balance
South African Revenue Services	178,070	18,261,641	(16,727,339)	(42,923)	(330,551)

### Reconciliation of VAT receivables/(payables) 2023

	Opening balance	Amounts claimed	Amounts received	Amounts accrued	Construction contract amounts	Closing balance
South African Revenue Services	2,772,881	14,224,416	(15,099,826)	(2,554,661)	835,260	178,070

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>7. Investments</b>		
<b>Short term investments</b>		
Standard Bank fixed deposit	16,241	-
First National Bank fixed deposit	21,073	226,048
Nedbank fixed deposit	-	40,972,603
ABSA Bank fixed deposit	6,441,208	9,652,159
Sanlam investment	4,637,525	3,344,039
	<b>11,116,047</b>	<b>54,194,849</b>
<b>Long term investments</b>		
Momentum investment	1,350,740	1,196,241
	<b>1,350,740</b>	<b>1,196,241</b>
<b>Reconciliation of Momentum investment</b>		
Opening balance	1,196,241	1,125,482
Fair value adjustment	154,715	70,959
Charges	(216)	(200)
<b>Closing balance</b>	<b>1,350,740</b>	<b>1,196,241</b>
Momentum investment is an investo endowment fund with an inception date of 29 February 2008 and continuation date of 1 March 2026. In addition, this investment portfolio does not expose the municipality to any investment fluctuation risks such as the market and interest rate risks as the annualised investment portfolio rate of return is very stable and has been growing steadily.		
<b>Reconciliation of Sanlam Shares</b>		
Opening balance	3,344,039	3,029,980
Fair value adjustment	1,293,486	314,059
<b>Closing balance</b>	<b>4,637,525</b>	<b>3,344,039</b>

Sanlam listed investments are disclosed at current market value of shares at reporting date (57310) shares at R80,92 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.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

2024 2023

### 8. Property, plant and equipment

	2024			2023		
	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	235,437,473	(76,421,688)	159,015,785	234,923,728	(71,482,888)	163,440,840
Furniture and fixtures	13,453,084	(11,747,840)	1,705,244	13,266,064	(11,448,106)	1,817,958
Motor vehicles	9,025,412	(4,928,108)	4,097,304	7,789,086	(6,232,324)	1,556,762
Office equipment	41,065,736	(31,215,461)	9,850,275	38,074,429	(27,450,226)	10,624,203
Plant and equipment	1,748,164	(733,420)	1,014,744	1,015,420	(641,541)	373,879
Work in progress - Buildings	2,952,218	-	2,952,218	-	-	-
<b>Total</b>	<b>311,785,141</b>	<b>(125,046,517)</b>	<b>186,738,624</b>	<b>303,171,781</b>	<b>(117,255,085)</b>	<b>185,916,696</b>

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Land	8,103,054	-	-	-	8,103,054
Buildings	163,440,840	513,745	-	(4,938,800)	159,015,785
Furniture and fixtures	1,817,958	339,781	(20,832)	(431,663)	1,705,244
Motor vehicles	1,556,762	3,729,245	(301,052)	(887,651)	4,097,304
Office equipment	10,624,203	3,797,908	(112,447)	(4,459,389)	9,850,275
Plant and equipment	373,879	794,798	(12,811)	(141,122)	1,014,744
Work in progress - buildings	-	2,952,218	-	-	2,952,218
	<b>185,916,696</b>	<b>12,127,695</b>	<b>(447,142)</b>	<b>(10,858,625)</b>	<b>186,738,624</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	8,103,054	-	-	-	8,103,054
Buildings	168,356,422	-	-	(4,915,582)	163,440,840
Furniture and fixtures	1,751,464	435,308	(1,648)	(367,166)	1,817,958
Motor vehicles	1,560,475	502,399	(121,871)	(384,241)	1,556,762
Office equipment	9,073,857	4,621,374	(217,983)	(2,853,045)	10,624,203
Plant and equipment	255,126	188,759	(179)	(69,827)	373,879
	<b>189,100,398</b>	<b>5,747,840</b>	<b>(341,681)</b>	<b>(8,589,861)</b>	<b>185,916,696</b>

#### Pledged as security

Carrying value of assets pledged as security for the DBSA loan (Refer to note 12):

Land and buildings	167,986,978	169,428,101
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#### Assets subject to finance lease (Net carrying amount)

Office equipment	550,227	1,210,179
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For details on repairs and maintenance cost on fixed assets refer to note 19.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

2024

2023

### 9. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	19,392,826	(15,915,110)	3,477,716	18,804,240	(14,743,274)	4,060,966

#### Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	4,060,966	663,822	(15,671)	(1,231,401)	3,477,716

#### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	3,642,139	1,370,874	(44,025)	(908,022)	4,060,966

### 10. Payables from exchange transactions

Trade payables	15,283,586	14,968,136
Retentions	26,597,068	32,502,096
Other creditors	42,661	42,661
Construction contract payables	12,166,146	5,852,222
	<b>54,089,461</b>	<b>53,365,115</b>

Audited  
By

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Auditor: ATIX  
BUSINESS

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 11. Provisions

#### Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Provision for long service awards	11,381,572	1,415,000	(819,661)	11,976,911
Leave provision	8,744,982	1,121,963	(998,771)	8,868,174
Post retirement benefits	22,330,000	761,000	(779,000)	22,312,000
Provision for performance bonuses	3,961,335	2,570,166	(3,182,504)	3,348,997
	<b>46,417,889</b>	<b>5,868,129</b>	<b>(5,779,936)</b>	<b>46,506,082</b>

#### Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings provision	765,779	-	(765,779)	-
Provision for long service awards	10,891,891	1,478,000	(988,319)	11,381,572
Leave provision	9,553,419	252,475	(1,060,912)	8,744,982
Post retirement benefits	23,151,000	(175,000)	(646,000)	22,330,000
Provision for performance bonuses	2,534,418	4,599,247	(3,172,330)	3,961,335
	<b>46,896,507</b>	<b>6,154,722</b>	<b>(6,633,340)</b>	<b>46,417,889</b>

Non-current liabilities	32,677,911	32,287,572
Current liabilities	13,828,171	14,130,317
	<b>46,506,082</b>	<b>46,417,889</b>

#### 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 approval of annual performance appraisal by Council.

Performance bonuses are awarded to permanent employees and fixed term contract employees subject to certain conditions being met and approval of the performance appraisal by Council.

#### Post retirement benefits

Opening balance of defined benefits	22,330,000	23,151,000
Interest cost	3,116,000	2,968,000
Current service cost	1,200,000	1,294,000
Benefits paid	(779,000)	(646,000)
Actuarial (gain)	(3,555,000)	(4,437,000)
	<b>22,312,000</b>	<b>22,330,000</b>

#### Net expense recognised in Statement of Financial Performance

Interest cost	3,116,000	2,968,000
Current service cost	1,200,000	1,294,000
Actuarial (gain)	(3,555,000)	(4,437,000)
	<b>761,000</b>	<b>(175,000)</b>

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2024-11-29  
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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>11. Provisions (continued)</b>		
<b>Long service awards</b>		
Opening balance of long service awards	11,381,572	10,891,891
Interest cost	1,351,000	1,321,000
Current service cost	1,087,000	1,090,000
Benefits paid	(819,661)	(988,319)
Actuarial (gain)	(1,023,000)	(933,000)
	<b>11,976,911</b>	<b>11,381,572</b>
Net expense recognised in Statement of Financial Performance		
Interest cost	1,351,000	1,321,000
Current service cost	1,087,000	1,090,000
Actuarial (gain)	(1,023,000)	(933,000)
	<b>1,415,000</b>	<b>1,478,000</b>

### 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 5,541 per month as from 1 July 2024.

These funds are subject to actuarial valuations. The last valuation was performed by an independent actuarial firm, Alexander Forbes, on 30 June 2024.

### 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 2024.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand 2024      2023

### 11. Provisions (continued)

#### Calculation of actuarial gains & losses

The following key assumptions were used at reporting date:

<b>Post retirement benefits</b>	13.90%	14.20%
Discount rate	7.70%	8.20%
CPI Inflation	9.20%	9.70%
Health Care Cost Inflation	5.00%	5.40%
Salary Inflation	65 years	65 years
Expected retirement age	14	15
Continuation members	144	145
In-service members		
<b>Long service awards</b>	11.10%	11.20%
Discount rate	5.20%	5.70%
Inflation rate	6.20%	6.70%
Salary Inflation	172	174
Members		

### 12. Borrowings

<b>At amortised cost</b>	86,144,017	96,980,136
DBSA loan		

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%

<b>Non-current liabilities</b>	74,038,747	86,144,324
At amortised cost		
<b>Current liabilities</b>	12,105,270	10,835,812
At amortised cost		

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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>13. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	528,827	634,591
- in second to fifth year inclusive	-	528,827
	<u>528,827</u>	<u>1,163,418</u>
less: future finance charges	(39,450)	(130,609)
<b>Present value of minimum lease payments</b>	<u><b>489,377</b></u>	<u><b>1,032,809</b></u>
 <b>Present value of minimum lease payments due</b>		
- within one year	489,377	543,432
- in second to fifth year inclusive	-	489,377
	<u>489,377</u>	<u>1,032,809</u>
 Non-current liabilities	-	489,377
Current liabilities	489,377	543,432
	<u><b>489,377</b></u>	<u><b>1,032,809</b></u>

The finance lease is for copiers with a lease term of three years and the average effective borrowing rate is 8.5%.

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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>14. Government grants and subsidies</b>		
Government grant - Equitable Share	295,254,000	284,129,000
Government grant - Finance Management Grant	1,000,000	1,000,000
Government grant - Sector Education and Training Authority	9,756,826	1,102,865
Government grant - Department Roads & Transport	2,525,000	2,516,000
Government grant - Expanded Public Works Program Incentive	2,995,000	2,457,000
	<b>311,530,826</b>	<b>291,204,865</b>

### National Treasury Finance Management Grant

Current-year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	(1,000,000)	(1,000,000)
	-	-

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	2,525,000	2,516,000
Conditions met - transferred to revenue	(2,525,000)	(2,516,000)
	-	-

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.

### Local Government Sector Education and Training Authority

Current-year receipts	9,756,826	347,865
Current-year receivable	-	755,000
Conditions met - transferred to revenue	(9,756,826)	(1,102,865)
	-	-

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	2,995,000	2,457,000
Conditions met - transferred to revenue	(2,995,000)	(2,457,000)
	-	-

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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

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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 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>15. Employee related costs</b>		
Basic salaries	104,034,105	98,820,040
Annual bonus	6,933,756	6,577,244
Medical aid - employer contributions	7,918,479	7,339,329
UIF	448,047	425,507
SDL	1,246,892	1,219,255
Leave pay provision contribution	1,121,963	252,475
Post-employment benefits - pension - defined contribution plan	17,974,564	17,151,995
Travel allowances	25,976,672	24,213,214
Overtime payments	533,326	1,454,705
Acting allowances	370,290	411,427
Housing benefits and allowances	815,724	807,632
Bargaining council	27,028	25,747
	<b>167,400,846</b>	<b>158,698,570</b>
<b>Remuneration of Municipal Manager - NP Mahlalela</b>		
Annual Remuneration	1,191,980	1,126,793
Car Allowance	336,000	336,000
Performance Bonuses	62,994	115,930
Contributions to UIF, Medical and Pension Funds	299,514	289,115
Non pensionable gratuity	20,340	-
	<b>1,910,828</b>	<b>1,867,838</b>
<b>Remuneration of Chief Financial Officer - PO Mokoena</b>		
Annual Remuneration	976,971	903,612
Car Allowance	300,000	300,000
Performance Bonuses	62,994	136,540
Contributions to UIF, Medical and Pension Funds	101,162	97,527
Leave pay	159,622	-
Non pensionable gratuity	20,340	-
	<b>1,621,089</b>	<b>1,437,679</b>
<b>General Manager: Corporate services - RS Makwakwa (Resigned 31/12/2023)</b>		
Annual Remuneration	443,302	763,880
Car Allowance	120,000	220,000
Performance Bonuses	-	86,889
Contributions to UIF, Medical and Pension Funds	120,187	215,782
Leave Pay	45,643	94,346
Acting Allowance	80,369	-
Non pensionable gratuity	18,645	-
	<b>828,146</b>	<b>1,380,897</b>
<b>Acting General Manager: Corporate services - GN Zulu (Appointed 01/09/2023)</b>		
Annual Remuneration	421,767	-
Car Allowance	148,342	-
Contributions to UIF, Medical and Pension Funds	89,585	-
Acting Allowance	51,738	-
Other	6,398	-
	<b>717,830</b>	<b>-</b>

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>15. Employee related costs (continued)</b>		
<b>General Manager: Economic Planning and Development - SS Madlopha (Appointed 01/12/2023)</b>		
Annual Remuneration	480,930	-
Car Allowance	175,000	-
Contributions to UIF, Medical and Pension Funds	101,053	-
	<b>756,983</b>	<b>-</b>
<b>Acting General Manager: Economic Planning and Development - ML Nkosi (Appointed 01/05/2022 to 31/08/2022)</b>		
Annual Remuneration	-	133,904
Car Allowance	-	46,914
Contributions to UIF, Medical and Pension Funds	-	39,274
Acting Allowance	-	17,161
	<b>-</b>	<b>237,253</b>
<b>General Manager: Technical services - ND Malokela</b>		
Annual Remuneration	941,177	859,913
Car Allowance	240,000	240,000
Performance Bonuses	62,994	86,889
Contributions to UIF, Medical and Pension Funds	219,189	203,684
Acting Allowances	31,301	87,093
Leave pay	146,335	-
Non pensionable gratuity	20,340	-
	<b>1,661,336</b>	<b>1,477,579</b>
<b>General Manager: Municipal Health &amp; Environment- ST Shabangu (Contract ended 31/01/2023)</b>		
Annual Remuneration	-	523,389
Car Allowance	-	140,000
Performance Bonuses	-	74,476
Contributions to UIF, Medical and Pension Funds	-	115,423
Acting Allowances	-	12,997
Leave Pay	-	149,430
	<b>-</b>	<b>1,015,715</b>
<b>Acting General Manager: Community Services - EMM Mahlalela (Appointed 01/02/2023 to 31/07/2023)</b>		
Annual Remuneration	140,928	338,570
Car Allowance	24,724	117,285
Contributions to UIF, Medical and Pension Funds	17,250	77,101
Acting Allowances	8,833	40,707
Other	1,066	-
	<b>192,801</b>	<b>573,663</b>
<b>General Manager: Community Services - ENM Mkhathswa (Appointed 01/12/2023)</b>		
Annual Remuneration	455,509	-
Car Allowance	205,447	-
Contributions to UIF, Medical and Pension Funds	96,026	-
	<b>756,982</b>	<b>-</b>

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>15. Employee related costs (continued)</b>		
<b>General Manager: Strategic Planning and Social Services - SJ Tibane</b>		
Annual Remuneration	894,603	751,188
Car Allowance	180,000	224,199
Performance Bonuses	53,262	95,570
Contributions to UIF, Medical and Pension Funds	235,681	199,609
Acting Allowances	-	73,323
Other	6,780	-
	<b>1,370,326</b>	<b>1,343,889</b>

Remuneration of staff is within the upper limits of the SALGA Bargaining Council determinations.

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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>16. Remuneration of councillors</b>		
Executive Mayor	1,123,692	1,162,586
Speaker	939,323	934,567
Councillors	9,155,358	9,376,881
Councillors' pension contribution	1,210,695	1,164,454
Chief Whip	886,773	881,104
Councillors other allowances	6,182,248	6,775,260
SDL	170,295	165,598
	<b>19,668,384</b>	<b>20,460,450</b>

Salaries, allowances and benefits of Councillors as disclosed in this note 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.

### In-kind benefits

The Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an official 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.

### Executive Mayor - Cllr J Sidell (Until 13/06/2024)

Annual Remuneration	690,291	746,411
Car Allowance	269,288	279,847
Contributions to UIF, Medical and Pension Funds	164,113	136,328
	<b>1,123,692</b>	<b>1,162,586</b>

### Speaker - Cllr RE Khumalo

Annual Remuneration	572,693	572,759
Car Allowance	223,877	223,877
Contributions to UIF, Medical and Pension Funds	142,753	137,931
	<b>939,323</b>	<b>934,567</b>

### Chief Whip - Cllr GS Siwela

Annual Remuneration	544,455	552,888
Car Allowance	209,885	209,885
Contributions to UIF, Medical and Pension Funds	132,433	118,331
	<b>886,773</b>	<b>881,104</b>

### MMC Environmental Health - Cllr MR Shongwe (until 13/06/2024 and appointed as Acting Executive Mayor on 26/06/2024)

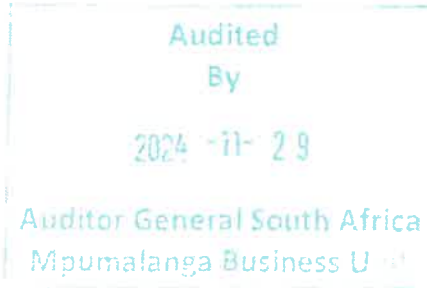
Annual Remuneration	560,824	576,838
Car Allowance	204,201	209,885
Contributions to UIF, Medical and Pension Funds	95,554	94,406
Acting Allowance	10,627	-
	<b>871,206</b>	<b>881,129</b>

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>16. Remuneration of councillors (continued)</b>		
<b>MMC Economic Planning and Development - Cllr PT Selowe (until 13/06/2024)</b>		
Annual Remuneration	532,659	548,216
Car Allowance	204,201	209,885
Contributions to UIF, Medical and Pension Funds	119,685	123,028
	<b>856,545</b>	<b>881,129</b>
<b>MMC Technical - Cllr M Nkuna (Until 31/01/2023)</b>		
Annual Remuneration	-	347,543
Car Allowance	-	122,433
Contributions to UIF, Medical and Pension Funds	-	47,345
	-	<b>517,321</b>
<b>MMC Technical - Cllr PA Mathe (From 16/03/2023 until 13/06/2024)</b>		
Annual Remuneration	576,398	170,388
Car Allowance	204,201	59,449
Contributions to UIF, Medical and Pension Funds	79,980	22,400
	<b>860,579</b>	<b>252,237</b>
<b>MMC Social Services - Cllr S Mashigo-Sekgobela (until 13/06/2024)</b>		
Annual Remuneration	134,615	543,233
Car Allowance	52,471	209,885
Contributions to UIF, Medical and Pension Funds	34,175	128,011
	<b>221,261</b>	<b>881,129</b>
<b>MMC Social Services - Cllr PM Manana (From 29/11/2023 until 13/06/2024)</b>		
Annual Remuneration	317,237	-
Car Allowance	113,979	-
Contributions to UIF, Medical and Pension Funds	50,263	-
	<b>481,479</b>	-
<b>MMC Corporate Services - Cllr MJ Mavuso (Until 3/08/2022)</b>		
Annual Remuneration	-	59,497
Car Allowance	-	19,183
Contributions to UIF, Medical and Pension Funds	-	4,000
	-	<b>82,680</b>
<b>MMC Corporate Services - Cllr ET Mabuza (From 11/08/2022 until 10/12/2023)</b>		
Annual Remuneration	148,182	544,975
Car Allowance	52,471	193,035
Contributions to UIF, Medical and Pension Funds	20,607	72,319
	<b>221,260</b>	<b>810,329</b>
<b>MMC Corporate Services - Cllr S Mashigo-Sekgobela (From 11/12/2023 until 13/6/2024)</b>		



# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

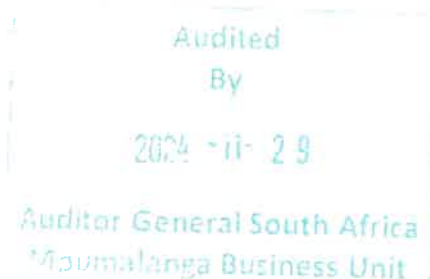
Figures in Rand	2024	2023
<b>16. Remuneration of councillors (continued)</b>		
Annual Remuneration	387,114	-
Car Allowance	151,729	-
Contributions to UIF, Medical and Pension Funds	100,474	-
	<b>639,317</b>	-
<b>MMC Financial Services - Cllr M Chembeni-Sahi (Until 29/09/2023)</b>		
Annual Remuneration	148,182	590,931
Car Allowance	52,471	209,885
Contributions to UIF, Medical and Pension Funds	20,031	80,313
	<b>220,684</b>	<b>881,129</b>
<b>MMC Financial Services - Cllr ET Mabuza (From 11/12/2023 until 13/06/2024)</b>		
Annual Remuneration	428,215	-
Car Allowance	151,729	-
Contributions to UIF, Medical and Pension Funds	59,373	-
	<b>639,317</b>	-
<b>MMC Disaster Management - Cllr LC Shakwane (until 13/06/2024)</b>		
Annual Remuneration	529,382	548,131
Car Allowance	204,201	209,885
Contributions to UIF, Medical and Pension Funds	126,996	123,113
	<b>860,579</b>	<b>881,129</b>
<b>MMC Strategic Planning - Cllr ET Mabuza (From 01/07/2022 until 10/08/2022)</b>		
Annual Remuneration	-	45,956
Car Allowance	-	16,850
Contributions to UIF, Medical and Pension Funds	-	7,994
	-	<b>70,800</b>
<b>MMC Strategic Planning - Cllr EIT Shabangu (From 11/08/2022 until 13/06/2024)</b>		
Annual Remuneration	521,330	494,978
Car Allowance	204,201	186,752
Contributions to UIF, Medical and Pension Funds	135,048	108,854
	<b>860,579</b>	<b>790,584</b>
<b>17. Depreciation and amortisation</b>		
Property, plant and equipment	10,858,625	8,589,861
Intangible assets	1,231,401	908,022
	<b>12,090,026</b>	<b>9,497,883</b>

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>18. Finance costs</b>		
Interest - actuarial valuations and other	4,532,800	4,330,837
Interest - finance leases	91,159	135,293
Interest - non-current borrowings	10,529,351	11,618,635
	<b>15,153,310</b>	<b>16,084,765</b>
<b>19. Repairs and maintenance</b>		
Buildings	4,716,768	4,966,236
Motor vehicles	764,831	1,342,191
Furniture and fittings	9,825	-
Plant and equipment	48,985	25,245
Fire brigade wagonets	-	92,500
	<b>5,540,409</b>	<b>6,426,172</b>
<b>20. Contracted services</b>		
<b>Outsourced services</b>		
Organisational	1,346,725	4,078,927
Commissions and committees	1,200	1,500
Project management	-	30,000
Research and advisory	2,826,549	3,552,545
Catering services	6,102,379	4,590,399
Cleaning services	174,863	309,161
Security services	5,259,254	2,979,211
<b>Consultants and professional services</b>		
Audit committee	477,490	505,437
Business and financial management	11,214,180	5,889,021
Organisational	42,240	91,012
Legal cost and litigation	1,341,965	1,003,053
<b>Contractors</b>		
Aerial surveillance	1,644,904	1,426,438
Event promoters	205,000	266,759
Computer license fees	9,466,613	8,253,222
	<b>40,103,362</b>	<b>32,976,685</b>
<b>21. Grants and subsidies</b>		
<b>Other subsidies</b>		
Department of Roads & Transport	2,085,869	2,077,523
Thaba Chweu Local Municipality	8,625,394	1,642,339
Nkomazi Local Municipality	2,757,652	3,611,315
Bushbuckridge Local Municipality	1,941,835	9,512,748
City of Mbombela Local Municipality	11,368,272	11,557,375
Other institutions	452,064	-
	<b>27,231,086</b>	<b>28,401,300</b>
<b>22. Auditors' remuneration</b>		
Audit fees	5,196,078	4,392,336



# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>23. Operational expenses</b>		
Bank charges	167,865	30,224
Bursaries	797,267	558,467
Community outreach	8,056,055	4,570,068
Conferences and seminars	-	6,128
Consulting and professional fees	1,972,636	1,928,146
Commission paid to third parties	12,000	12,000
Disaster management operational cost	1,793,610	1,749,535
Electricity, water and rates	12,968,720	11,132,440
Entertainment	1,248,323	945,728
Fuel and oil	1,294,515	1,675,223
GIS operational costs	59,748	7,633
COVID-19 related expenses	111,596	116,485
IDP review	28,435	214,893
Insurance	1,649,846	1,335,670
Marketing	1,690,140	2,114,761
Municipal health operational cost	613,601	1,020,215
Other expenses	1,562,239	1,020,022
Programs and campaigns	975,862	2,985,157
Postage and courier	5,225	4,275
Printing and stationery	2,198,564	1,106,511
Protective clothing	184,553	202,266
Telephone and fax	1,864,775	1,772,525
Tourism development	882,340	923,983
Training	8,948,919	1,654,197
Travelling and subsistence	11,237,367	10,171,491
	<b>60,324,201</b>	<b>47,268,413</b>
<b>24. Net cash flows from operating activities</b>		
Deficit	(26,207,474)	(17,704,775)
<b>Adjustments for:</b>		
Depreciation and amortisation	12,090,026	9,497,883
Actuarial (gain)	(4,578,000)	(5,370,000)
Loss/(Gain) on fair value adjustments	(1,448,201)	(385,018)
Loss on disposal of assets	52,281	210,087
Finance costs - finance leases	91,159	135,293
Provision for bad debts	1,716,374	573,093
Debt impairment	-	70,830
Movements in provisions	4,666,193	4,800,822
Revenue from non-exchange transactions	-	(755,000)
Other non-cash items	(317,076)	(28,186)
<b>Changes in working capital:</b>		
Inventories	1,182,569	10,021,966
Receivables from exchange transactions	(6,663,985)	(4,151,715)
Bad debts written off	-	(70,830)
Payables from exchange transactions	724,346	(8,696,738)
Statutory receivables	1,263,621	1,839,811
	<b>(17,428,167)</b>	<b>(9,921,917)</b>

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2024 -11- 29  
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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

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### 25. Financial instruments disclosure

#### Categories of financial instruments

#### 2024

##### Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	56,649,535	56,649,535
Cash and cash equivalents	-	4,196,823	4,196,823
Investments	5,988,265	6,478,522	12,466,787
	<b>5,988,265</b>	<b>67,324,880</b>	<b>73,313,145</b>

##### Financial liabilities

	At amortised cost	Total
Current borrowings	12,105,270	12,105,270
Non-current borrowings	74,038,747	74,038,747
Trade and other payables from exchange transactions	54,089,461	54,089,461
Finance lease liability	489,377	489,377
	<b>140,722,855</b>	<b>140,722,855</b>

#### 2023

##### Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	50,277,205	50,277,205
Cash and cash equivalents	-	794,316	794,316
Investments	4,540,280	50,850,810	55,391,090
	<b>4,540,280</b>	<b>101,922,331</b>	<b>106,462,611</b>

##### Financial liabilities

	At amortised cost	Total
Current borrowings	10,835,812	10,835,812
Non-current borrowings	86,144,324	86,144,324
Trade and other payables from exchange transactions	53,365,115	53,365,115
Finance lease liability	1,032,809	1,032,809
	<b>151,378,060</b>	<b>151,378,060</b>

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# Ehlanzeni District Municipality

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Figures in Rand	2024	2023
<b>26. Commitments</b>		
<b>Authorised expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	5,415,961	14,721,632
• Construction contract work in progress	112,963,503	61,241,038
	<b>118,379,464</b>	<b>75,962,670</b>
<b>Commitments source of funding reconciliation</b>		
• Implementing Agent Grant Funding (WSIG and RBIG)	112,963,503	61,241,038
• Internal Funding	5,415,961	14,721,632
	<b>118,379,464</b>	<b>75,962,670</b>

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Audited and signed for the  
2024 financial year

# Ehlanzeni District Municipality

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### 27. Contingencies

#### Contingent liabilities

##### 1. D Sihlangu

This case relates to alleged 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 amounts to R 877,529 with an additional estimated legal fees of R50,000.

##### 2. L Sithole

This case relates to alleged 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 158,464 with an additional estimated legal fees of R140,000.

##### 3. Graskop Pale

Graskop Pale CC issued summons against Thaba Chweu Local Municipality and Ehlanzeni District Municipality as 1<sup>st</sup> and 2<sup>nd</sup> defendants respectively for, following a wild, uncontrollable fire that started in one of the properties around Thaba Chweu and caused severe damages to various plantations and properties, including the farm belonging to Plaintiff.

Municipality appointed an Attorney to defend the matter. A notice to defend, as well as a plea were filed. The legal fees paid to date amounts to R 189,630 with an additional estimated legal fees of R400,000.

##### 4. Mpumalanga Copiers

Mpumalanga Copiers issued summons against Oagile Thuto and Ehlanzeni District Municipality as 1<sup>st</sup> and 2<sup>nd</sup> defendants respectively, claiming payment for rental of copier machines and supplies. Municipality paid all monies due to the service provider and is of the view that it should not have been involved in this dispute and cited as a party to these proceedings.

##### 5. SMC Enterprise 2 CC

SMC Enterprise 2 CC is challenging contract termination by the municipality due to poor performance on Driekoppies Regional Water Scheme project. The termination process has been interdicted by High Court judgement but other litigation matters relating to the termination process are still to be heard by the High Court.

The legal fees incurred to date amounts to R925 482 with additional estimated future legal fees estimated at R400 000.

#### Contingent Assets

##### 1. SMC Enterprises 2 CC

The municipality has instituted cost and damages counterclaim against SMC Enterprise 2 for damages suffered due to a contract termination. SMC Enterprise 2 CC has subsequently filed at the High Court an exception against the counterclaim.

3,000,000

3,000,000

354,290

354,290

13,111,019

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>28. Unauthorised, Irregular, Fruitless and wasteful expenditure</b>		
<b>28.1 Irregular expenditure</b>		
Opening balance	-	690,694
Less: Written off by Council	-	(690,694)
	-	-
<b>28.2 Fruitless and wasteful expenditure</b>		
Opening balance	1,531	25,052
add: Incurred during the year	72,809	181,483
Less: Amounts recovered	(8,461)	(11,000)
Less: Written off by Council	(65,879)	(194,004)
	-	1,531

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### Incidents:

- (a) Traffic fines issued for violation of traffic statutes amounting to R7 000 and interest charges of 8,40 by a service provider for delayed mailing of invoice.
- (b) Interest charges of R65 800 by Nkomazi Local Municipality for unpaid property rates account on property due to prolonged process of property transfer.

### Remedial actions:

- (a) The traffic fines amounting to R7 000 have been recovered from municipal employees.
- (b) The interest charges of R8,40 has been approved to be written off as per Council Resolution A52 of 26 June 2024.
- (c) An amount of R70,82 for interest charges relating 2018/19 financial year approved to be written off as per Council Resolution A52 of 26 June 2024.
- (d) The arrear property rates interest charges of R65 800 has been approved for write off as per Council Resolution A75 of 27 August 2024.

## 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 reviewed regularly to reflect changes in the municipality's activities. The municipality conduct risks assessment on a continuous basis throughout the financial year to identify and implement control measures to mitigate emerging risks.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

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### 29. Risk management (continued)

#### 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 2024	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Non-current borrowings	12,105,270	74,038,747	-	86,144,017
Payables from exchange transactions	54,089,461	-	-	54,089,461
Finance leases	489,377	-	-	489,377
At 30 June 2023	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Non-current borrowings	10,835,812	54,352,699	31,791,625	96,980,136
Payables from exchange transactions	53,365,115	-	-	53,365,115
Finance leases	543,432	489,377	-	1,032,809

#### 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	Audited By	2024	2023
Cash and cash equivalents		4,196,823	794,316
Non-current investments		1,350,740	1,196,241
Current investments		11,116,047	54,194,849
Receivables from exchange transactions		56,649,535	50,277,205

#### 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 2024, 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 members of key management	None
Members of key management and councillors	See note 15 and 16.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>31. Interest received</b>		
<b>Interest revenue</b>		
Current bank account	229,584	163,663
Fixed deposits	8,216,045	8,571,483
Interest on debtors	606,629	489,812
	<b>9,052,258</b>	<b>9,224,958</b>

### 32. Change in accounting 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 at an average of between 3 and 5 years. The effect of this revision has decreased the depreciation and amortisation charges for the current period and increased for future periods by R 41 691.

The effect on Property, Plant and Equipment is a decrease of annual depreciation by R22 447, refer to note 8.

The effect on Intangible Assets is a decrease of annual amortisation by R19 244, refer to note 9.

### 33. Revenue

Construction contracts	72,851,296	53,075,035
Operational income	1,278,205	802,945
Rental of facilities and equipment	198,000	202,970
Interest received	9,052,258	9,224,958
Dividends received	183,392	165,053
Government grants & subsidies	311,530,826	291,204,865
Fines & penalties	661,432	418,849
	<b>395,755,409</b>	<b>355,094,675</b>

#### The amount included in revenue arising from exchanges of goods or services are as follows:

Construction contracts	72,851,296	53,075,035
Operational income	1,278,205	802,945
Rental of facilities and equipment	198,000	202,970
Interest received	9,052,258	9,224,958
Dividends received	183,392	165,053
	<b>83,563,151</b>	<b>63,470,961</b>

#### The amount included in revenue arising from non-exchange transactions is as follows:

<b>Transfer revenue</b>		
Government grants & subsidies	311,530,826	291,204,865
Fines & penalties	661,432	418,849
	<b>312,192,258</b>	<b>291,623,714</b>

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 34. Comparative information

- (a) The commitments source of funding has been added to the prior year on note 26 for comparative purposes.

The effects of the restatements are as follows:

Implementing Agent Grant Funding (WSIG and RBIG)	R 61,241,038
Internal funding	R 14,721,632
<b>Total</b>	<b>R 75,962,670</b>

- (b) The current and non-current portion of the long term borrowings has been added to the prior year on note 25 for comparative purposes.

The effects of the restatements are as follows:

Current borrowings	R 10,835,812
Non-current borrowings	R 86,144,324

- (c) The contingencies disclosure note 27 has been adjusted to disclose comparative information for the contingent liabilities and assets.

### 35. Events after the reporting date

#### 35.1 Adjusting events

- (a) Council approved the write off of fruitless and wasteful expenditure incurred current financial year amounting to R65 800 on 27 August 2024, refer to Disclosure Note 28.
- (b) Council approved final 2023/24 special adjustment budget on 29 August 2024, refer to the Statement of Comparison of Budget and Actuals.

#### 35.2 Non-adjusting events

The Executive Mayor, Chairperson of MPAC and Members of Mayoral Committee had been elected and appointed on 16 and 23 July 2024.

### 36. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

SALGA Membership fee	1,956,794	1,905,694
<b>PAYE, UIF and SDL</b>		
Amount paid - current year	37,681,712	36,893,387
<b>Pension and Medical Aid Deductions</b>		
Amount paid - current year	42,647,467	40,279,243
<b>VAT</b>		
VAT received - current year	16,727,339	15,099,826

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### 37. Deviations i.t.o section 36 of Supply Chain Management Policy

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 37. Deviations i.t.o section 36 of Supply Chain Management Policy (continued)

#### Fixed Amount Deviation Procurements - Regulation 36(a)

Emergency	-	788,452
Impractical	4,220,124	3,029,742
Sole provider	1,749,886	1,491,261
	<b>5,970,010</b>	<b>5,309,455</b>

### 38. Budget differences

Material differences between budget and actual amounts

Variances in excess of 10% is considered significant and therefore explanations are provided below:

#### 38.1 Construction contract revenue and expenditure

Inadequate performance on infrastructure projects implemented on behalf of other organs of state resulted in underperformance on both construction contract revenue and expenditure.

#### 38.2 Operational Income

Prolonged process of review of Municipal Health By-Laws to be enforceable and consultation with relevant stakeholders.

#### 38.3 Rental of facilities and equipment

Anticipated rental revenue from the municipal canteen and disaster management conference could not be realised due to absence of a service provider to operate the facilities.

#### 38.4 Interest received

Inadequate uncommitted cash to be placed on fixed deposits resulted in the underperformance.

#### 38.5 Dividends received

The Sanlam shares performed more than anticipated however, dividends declared not received.

#### 38.6 Fines revenue

Due to poor performance of contractors, the municipality enforced the provisions of the General Conditions of Contract for Construction Works by imposing penalties and this was not anticipated.

#### 38.7 Grant and subsidies paid

Transfer of assets ready for use to local municipalities and the expenditure on the purchase and construction of these assets was budgeted for in the prior and current financial year.

#### 38.8 Loss on disposal of assets

The disposal of some assets during the financial year did not occur as planned and other assets were disposed below their carrying values as a result of the state or conditions of those assets.

#### 38.9 Gains on fair value adjustments

Unanticipated gains in the share value of the Sanlam and Momentum investments during the year.

#### 38.10 Inventories

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

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The inventory work in progress - assets to be transferred or donated decreased substantively due to completed assets transferred to local municipalities.

### 38.11 Cash, cash equivalents and investments

Projected cash and cash equivalents, and investments targets were not achieved mainly due to acceleration of capital and operating programmes and projects for supporting of the local municipalities that are implementing Financial Recovery Plans, release of retention monies and increase in receivables.

### 38.12 Receivables from exchange transactions

Unanticipated delays on payments by organs of state as the District Municipality is implementing infrastructure projects through contractual arrangements and monies owed by local municipalities for support services rendered.

### 38.13 Statutory receivables & payables

It was improbable to accurately project or determine during budget preparation, the VAT amount receivable or payable mainly due to the potential impact of the change of GRAP standard to be applied on the infrastructure projects implemented on behalf of other organs of state.

### 38.14 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.

### 38.15 Long term borrowings

Reclassification of long-term borrowings balance between non-current and current liabilities in accordance with the loan amortisation schedule.

### 38.16 Payables from exchange transactions

The release of retention monies was not factored on the budget.

### 38.17 Finance leases

A finance lease agreement for the office automation machines is classified as a finance lease in accordance with GRAP 13.

### 38.18 Other receipts

Unanticipated VAT refunds received from SARS during the financial year and not provided for in the budget.

### 38.19 Operating deficit

The realised operating deficit is mainly due to recognition of provisions for liabilities which are non-cash items.

### 38.20 Deficit for the year

The realised deficit year is mainly due to recognition of provisions for liabilities which are non-cash items and derecognition of assets transferred or donated to local municipalities and other institutions.

### 38.21 Net Assets

Substantive decrease in cash and cash equivalent, investments and deficit for the year contributed to the accumulated surplus projection not being realised.

### 38.22 Payments to suppliers

The retention and prior year payables paid, and provision liabilities or obligations settled during the financial year not factored on the cashflow budget.

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# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

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### 39. Prior period adjustments

Prior period adjustments made through accumulated surplus are as follows:

- (a) Backpay for Section 56/57 managers totalling R294 920.
- (b) Unallocated deposits received recognised directly through surplus of R121 956.
- (c) The former Lowveld And Escarpment District Council which Ehlanzeni District Municipality is a successor in title acquired a land in 1999 which was transferred and registered in 2000 at deeds office. The acquired land was not initially recognised previously and only recognised in the prior year on Property, Plant and Equipment. Subsequent to resolution taken on 29 August 2023 by the municipal council as per item A91/2023 approving transfer of the land to Nkomazi Local Municipality at no cost, the land should have been recognised on inventory as an adjusting event after reporting date in the prior year.

The effect of the restatements are as follows:

#### Statement of financial position

Payables from exchange transactions (S56/57 backpay payments)	-	(294,920)
Payables from exchange transactions (unallocated deposits)	-	121,956
<b>Total</b>	-	<b>(172,964)</b>
Property, Plant and Equipment	-	(3,080,000)
Inventories	-	3,080,000

#### Statement of Financial Performance

Employee related cost (S56/57 backpay payments)	-	294,920
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#### Statement of Changes in Equity - 2022

Employee related cost (S56/57 backpay payments)	-	294,920
Unknown Direct Bank Deposits Liability Written Off	-	(121,956)
<b>Total</b>	-	<b>172,964</b>

Prior period adjustments made through accumulated surplus are as follows:

There has been other credit transactions totalling R 52 848 and other debit transactions totalling R60 059 accrued or paid in the financial year under review relating to prior periods. The net adjustment directly through surplus is R7 211.

The details of these credit transactions are as follows:

- (a) Mayoral bursaries of R38 011 refunded for the 2022/23 financial year from the University of Mpumalanga.
- (b) Rental subsidy overpaid to an employee of R4 250 paid in the current financial year relating to the 2022/23 financial year. A subsequent debtor has been raised to recover the overpayment.
- (c) Travel and accommodation of R5 909 paid relating to the 2022/23 financial year.
- (d) Revenue related to the municipal health function of R4 678 recognised for the 2022/23 financial year

The details of these debit transactions are as follows:

- (e) Sundry payments of R4 504 relating to the 2022/23 financial year paid during the current year.
- (f) Prepayment of R55 555 for SALGA membership levy relating to prior year 2021/22 incorrectly reversed.

# Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

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### 40. 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. No 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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**Ehlanzeni District Municipality**  
Annual Financial Statements for the year ended 30 June 2024

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**Notes to the Annual Financial Statements**

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**40. Segment reporting (continued)**  
 Auditor: General South Africa  
 Auditor: eMalahle Business Unit

2024

	Council	Office of the Municipal Manager	Financial Services	Corporate Services	Technical Services	Economic Planning and Development	Community Services	Strategic Planning and Social Services	Entity Total
<b>Revenue</b>									
Revenue from non-exchange transactions	-	-	312,192,258	-	-	-	-	-	312,192,258
Revenue from exchange transactions	-	-	10,711,855	-	-	-	-	-	10,711,855
Construction contracts	-	-	72,851,296	-	-	-	-	-	72,851,296
<b>Total segment revenue</b>	-	-	<b>395,755,409</b>	-	-	-	-	-	<b>395,755,409</b>
<b>Expenditure</b>									
Salaries and wages	15,866,616	19,008,599	28,091,750	16,126,239	12,387,520	15,833,682	34,473,028	22,939,119	164,726,553
Council remuneration	19,498,089	-	-	-	-	-	-	-	19,498,089
Operational expenditure	17,149,342	7,207,666	43,000,497	25,658,045	1,195,104	6,319,350	8,794,663	4,683,971	114,008,638
Provision for impairment	-	-	1,716,374	-	-	-	-	-	1,716,374
Construction contract costs	-	-	73,512,727	-	-	-	-	-	73,512,727
Finance charges	-	-	15,153,310	-	-	-	-	-	15,153,310
Depreciation and amortisation	641,929	462,988	2,021,125	6,076,128	558,443	241,168	1,346,430	741,815	12,090,026
<b>Total segment expenditure</b>	<b>53,155,976</b>	<b>26,679,253</b>	<b>163,495,783</b>	<b>47,860,412</b>	<b>14,141,067</b>	<b>22,394,200</b>	<b>44,614,121</b>	<b>28,364,905</b>	<b>400,705,717</b>
<b>Total segmental surplus/(deficit)</b>									<b>(4,950,308)</b>
Loss on disposal of assets									(52,281)
Gain on fair value adjustments									1,448,201
Actuarial gain									4,578,000
Grants and subsidies paid									(27,231,086)
<b>Total municipal surplus/(deficit)</b>									<b>(26,207,474)</b>

## Ehlanzeni District Municipality

Annual Financial Statements for the year ended 30 June 2024

### 40. Segment reporting (continued)

<b>Assets</b>									
Segment assets	1,928,831	1,268,039	8,196,108	173,210,370	1,236,527	592,387	3,182,617	601,461	190,216,340
Investments									12,466,787
Inventories									4,744,750
Receivables from exchange transactions									57,638,336
Cash and cash equivalents									4,196,823
<b>Total assets as per Statement of financial Position</b>									<b>269,263,036</b>
Finance leases									489,377
Payables from exchange transactions									54,089,461
Statutory payables									330,551
Provisions									46,506,082
Long term loans									86,144,017
<b>Total liabilities as per Statement of financial Position</b>									<b>187,559,488</b>
<b>Accumulated Surplus</b>									<b>81,703,548</b>

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2023

	Council	Office of the Municipal Manager	Finance and Supply Chain Management	Corporate Services	Technical Services	Economic Planning and Development	Municipal Health and Environmental Management	Strategic Planning and Social Services	Entity Total
<b>Revenue</b>									
Revenue from non-exchange transactions	-	-	291,623,714	-	-	-	-	-	291,623,714
Other revenue from exchange transactions	-	-	10,395,926	-	-	-	-	-	10,395,926
Construction contracts	-	-	53,075,035	-	-	-	-	-	53,075,035
<b>Total segment revenue</b>	-	-	<b>355,094,675</b>	-	-	-	-	-	<b>355,094,675</b>

# Ehlanzeni District Municipality

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## Notes to the Annual Financial Statements

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### 40. Segment reporting (continued)

	2024	2023	2024	2023	2024	2023	2024	2023
<b>Expenditure</b>								
Salaries and wages	15,343,986	16,778,151	28,829,219	16,604,816	10,638,106	13,259,083	32,216,782	23,009,227
Council remuneration	20,294,852	-	-	-	-	-	-	-
Operational expenditure	11,415,795	4,707,389	25,539,987	26,569,612	1,498,239	7,124,390	8,448,720	7,944,272
Provision for impairment	-	-	573,093	-	-	-	-	-
Construction contract costs	-	-	53,493,884	-	-	-	-	-
Finance charges	-	-	16,084,765	-	-	-	-	-
Bad debts written off	-	-	70,830	-	-	-	-	-
Depreciation and amortisation	273,100	361,459	1,349,944	5,681,424	244,542	141,216	883,593	562,605
<b>Total segment expenditure</b>	<b>47,327,733</b>	<b>21,846,999</b>	<b>125,941,722</b>	<b>48,855,852</b>	<b>12,380,887</b>	<b>20,524,689</b>	<b>41,549,095</b>	<b>31,516,104</b>
<b>Total segmental surplus/(deficit)</b>								<b>5,151,594</b>
Loss on disposal of assets								(210,087)
Gain on fair value adjustments								385,018
Actuarial gain								5,370,000
Grants and subsidies paid								(28,401,300)
<b>Total municipal surplus (deficit)</b>								<b>(17,704,775)</b>

	2024	2023	2024	2023	2024	2023	2024	2023
<b>Assets</b>								
Segment assets	1,140,341	1,345,730	4,973,661	174,479,110	1,313,752	586,070	5,551,968	587,030
Investments								55,391,090
Inventories								5,927,319
Receivables from exchange transactions								52,690,725
Statutory receivables								933,070
Cash and cash equivalents								794,316
<b>Total assets as per Statement of financial Position</b>								<b>305,714,182</b>

Finance leases								1,032,809
Payables from exchange transactions								53,365,115
Provisions								46,417,889
Long term loans								96,980,136

**Ehlanzeni District Municipality**  
Annual Financial Statements for the year ended 30 June 2024

<b>40. Segment reporting (continued)</b>	
<b>Total liabilities as per Statement of financial Position</b>	<b>197,795,949</b>
<b>Accumulated Surplus</b>	<b>107,918,233</b>

**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.

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The following supplementary information does not form part of the annual financial statements and is unaudited:

**Appendix A**

June 2024

**Schedule of external loans as at 30 June 2024**

Loan Number	Redeemable Balance at 1 July 2023	Received during the period	Redeemed written off during the period	Balance at 30 June 2024	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
	Rand	Rand	Rand	Rand	Rand	Rand
Loan Stock						
Structured loans						
Funding facility						
Development Bank of South Africa	96,980,136	-	10,836,119	86,144,017	160,821,895	-
DBSA - 61000886						
Maturity date: 31/12/2029						
Interest calculated at 11.12%						
<b>Bonds</b>						
Other loans						
Lease liability						
Annuity loans						
Government loans						
<b>Total external loans</b>	<b>96,980,136</b>	<b>-</b>	<b>10,836,119</b>	<b>86,144,017</b>	<b>160,821,895</b>	<b>-</b>
Development Bank of South Africa	96,980,136	-	10,836,119	86,144,017	160,821,895	-
	<b>96,980,136</b>	<b>-</b>	<b>10,836,119</b>	<b>86,144,017</b>	<b>160,821,895</b>	<b>-</b>

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## Appendix B

### Analysis of property, plant and equipment as at 30 June 2024 Cost/Revaluation Accumulated depreciation

	Opening Balance		Additions		Disposals		Transfers		Closing Balance		Operating 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
<b>Land and buildings</b>																								
Land	8,103,054	-	-	-	-	-	-	-	8,103,054	-	-	-	-	-	-	-	-	-	-	-	-	-	8,103,054	-
Work in progress - Buildings	-	2,952,217	-	-	-	-	-	-	2,952,217	-	-	-	-	-	-	-	-	-	-	-	-	-	2,952,217	-
Buildings	234,923,728	513,744	-	-	-	-	-	-	235,437,472	(71,482,888)	-	-	-	-	-	-	-	-	-	(4,938,600)	(76,421,688)	-	159,015,784	-
	<b>243,028,782</b>	<b>3,465,951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246,492,743</b>	<b>(71,482,888)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,938,800)</b>	<b>(76,421,688)</b>	<b>-</b>	<b>170,071,055</b>	<b>-</b>
<b>Other assets</b>																								
Plant & equipment	1,015,421	794,799	(62,055)	-	-	-	-	-	1,748,165	(641,541)	49,243	-	-	-	-	-	-	-	-	(141,122)	(733,420)	-	1,014,745	
Furniture & Fixings	13,265,063	339,782	(152,760)	-	-	-	-	-	13,453,085	(11,448,107)	131,930	-	-	-	-	-	-	-	-	(431,663)	(11,747,840)	-	1,705,245	
Computer equipment	38,074,429	3,797,908	(806,602)	-	-	-	-	-	41,068,735	(27,450,227)	694,154	-	-	-	-	-	-	-	-	(4,459,389)	(31,215,462)	-	9,850,273	
Motor vehicles	7,789,086	3,729,245	(2,492,919)	-	-	-	-	-	9,026,412	(6,232,324)	2,181,869	-	-	-	-	-	-	-	-	(887,651)	(4,928,106)	-	4,097,306	
	<b>60,144,999</b>	<b>8,681,734</b>	<b>(3,514,336)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,292,397</b>	<b>(45,772,199)</b>	<b>3,067,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,918,825)</b>	<b>(48,624,928)</b>	<b>-</b>	<b>16,667,569</b>	
<b>Total property plant and equipment</b>	<b>303,171,781</b>	<b>12,127,695</b>	<b>(3,514,336)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311,785,140</b>	<b>(117,255,087)</b>	<b>3,067,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,858,625)</b>	<b>(125,046,516)</b>	<b>-</b>	<b>186,738,624</b>	
<b>Intangible assets</b>																								
Computer software	18,804,240	663,822	(75,236)	-	-	-	-	-	19,392,826	(14,743,273)	59,564	-	-	-	-	-	-	-	-	(1,231,401)	(18,945,110)	-	3,477,716	
	<b>18,804,240</b>	<b>663,822</b>	<b>(75,236)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,392,826</b>	<b>(14,743,273)</b>	<b>59,564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,231,401)</b>	<b>(18,945,110)</b>	<b>-</b>	<b>3,477,716</b>	

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Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2024  
Accumulated Depreciation  
Cost

	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	204,026	255,035,051	5,304,064	(7,427)	(178,691)	(3,093,410)	151,806	(129,267)	156,699	(129,267)	151,806	6,868	-	(22,642)	(145,041)	51,558						(145,041)	173,270,371	173,270,371
Chief Whip	26,730,079	289,197	289,197	(11,316,861)	(64,934)	(3,093,410)	151,806	(80,555,942)	257,066,014	(80,555,942)	151,806	2,288,118	-	(5,739,625)	(93,855,643)	1,914,667						(93,855,643)	1,914,667	1,914,667
Disaster management	2,575,679	875,895	875,895	(1,040,148)	(1,040,148)	(1,040,148)	2,346,981	(2,024,619)	15,637,481	(2,024,619)	63,489	10,924,087	-	(764,367)	(13,722,794)	976,426						(13,722,794)	976,426	976,426
Executive Mayor	18,932,182	3,660,508	3,660,508	18,122,456	(1,544,580)	18,122,456	39,470,697	(13,958,520)	1,388,971	(13,958,520)	1,388,971	(15,416,342)	-	(287,457)	(30,974,488)	8,196,108						(30,974,488)	8,196,108	8,196,108
Financial Services	258,146	141,193	-	(1,1527)	(1,527)	(1,153)	265,486	(149,021)	1,442	(149,021)	1,442	(9)	-	(35,624)	(183,212)	72,254						(183,212)	72,254	72,254
Internal Audit	1,562,014	6,861,138	141,193	(249,968)	(10,307)	(1,973,588)	1,453,239	(1,054,797)	1,453,239	(1,054,797)	170,901	170,901	-	(159,470)	(1,042,388)	410,873						(1,042,388)	410,873	410,873
LED and Tourism	3,712,477	562,271	562,271	(235,726)	(28,481)	(235,726)	4,010,541	(2,475,873)	4,942,974	(2,475,873)	8,961	1,043,067	-	(633,808)	(3,675,026)	1,267,949						(3,675,026)	1,267,949	1,267,949
Community Services	489,410	5,680	5,680	271,991	-	271,991	767,281	(85,091)	767,281	(85,091)	20,259	60,735	-	(419,877)	(2,614,766)	1,195,765						(2,614,766)	1,195,765	1,195,765
Municipal Manager	283,169	160,709	160,709	(130,801)	-	(130,801)	313,077	(204,316)	102,850	(204,316)	102,850	102,850	-	(208,938)	(431,669)	335,632						(431,669)	335,632	335,632
Strategic Services	907,781	232,061	232,061	(163,898)	-	(163,898)	975,944	(725,080)	98,819	(725,080)	98,819	98,819	-	(30,096)	(131,562)	181,515						(131,562)	181,515	181,515
Rural Development	1,885,713	928,786	928,786	(732,699)	(719,934)	(732,699)	1,361,886	(1,371,191)	545,299	(1,371,191)	545,299	545,299	-	(226,369)	(461,019)	900,847						(461,019)	900,847	900,847
Social and Transversal issues	2,539,156	564,251	564,251	(423,361)	-	(423,361)	2,680,046	(1,225,404)	272,185	(1,225,404)	272,185	272,185	-	(490,300)	(1,443,618)	1,236,527						(1,443,618)	1,236,527	1,236,527
Speaker	321,976,021	12,791,517	12,791,517	-	(3,589,572)	-	331,177,866	(131,998,359)	2,989,128	(131,998,359)	2,989,128	137,631	-	(12,090,026)	(140,961,626)	190,216,340						(140,961,626)	190,216,340	190,216,340
Technical Services																								

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## Appendix D

### Segmental Statement of Financial Performance for the year ended 30 June 2024 Prior Year

Prior Year			Curren Year		
Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
<b>Municipality</b>					
-	8,440,687	(8,440,687)	-	12,271,310	(12,271,310)
-	5,170,835	(5,170,835)	-	5,165,423	(5,165,423)
-	25,493,777	(25,493,777)	-	26,425,901	(26,425,901)
-	10,572,938	(10,572,938)	-	10,952,259	(10,952,259)
-	17,384,815	(17,384,815)	-	21,585,043	(21,585,043)
355,094,675	148,798,514	206,296,161	395,755,409	184,752,947	211,002,462
-	48,855,852	(48,855,852)	-	47,860,412	(47,860,412)
-	12,380,887	(12,380,887)	-	14,141,067	(14,141,067)
-	30,490,754	(30,490,754)	-	32,034,713	(32,034,713)
-	2,819,911	(2,819,911)	-	3,506,507	(3,506,507)
-	4,462,185	(4,462,185)	-	5,094,210	(5,094,210)
-	31,516,105	(31,516,105)	-	28,364,906	(28,364,906)
-	15,353,854	(15,353,854)	-	17,228,777	(17,228,777)
-	11,058,336	(11,058,336)	-	12,579,408	(12,579,408)
<b>355,094,675</b>	<b>372,799,450</b>	<b>(17,704,775)</b>	<b>395,755,409</b>	<b>421,962,883</b>	<b>(26,207,474)</b>

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## Appendix E(1)

### Actual versus Budget (Revenue and Expenditure) for the year ended 30 June 2024

	Current year 2024		Variance	Explanation of Significant Variances greater than 10% versus Budget
	Act. Bal.	Adjusted budget		
	Rand	Rand	Rand	Var
Revenue				
Construction contracts	72,851,296	86,918,236	(14,066,940)	(16.2) Refer to note 37
Operational income	1,278,205	2,095,033	(816,828)	(39.0) Refer to note 37
Rental of facilities and equipment	198,000	1,402,500	(1,204,500)	(85.9) Refer to note 37
Interest received	9,052,258	10,184,954	(1,132,696)	(11.1) Refer to note 38
Dividends received	183,392	161,248	22,144	13.7 Refer to note 38
Fines and penalties	661,432	-	661,432	- Refer to note 38
Government grants & subsidies	311,530,826	313,565,000	(2,034,174)	(0.6)
	<b>395,755,409</b>	<b>414,326,971</b>	<b>(18,571,562)</b>	<b>(4.5)</b>
Expenses				
Employee related cost	(167,400,846)	(167,551,598)	150,752	(0.1)
Remuneration of councillors	(19,668,384)	(19,669,431)	1,047	-
Audit fees	(5,196,078)	(5,196,150)	72	-
Construction contract costs	(73,512,727)	(87,171,352)	13,658,625	(15.7) Refer to note 38
Depreciation and amortisation	(12,090,026)	(12,204,512)	114,486	(0.9)
Provision for bad debts	(1,716,374)	(1,720,000)	3,626	(0.2)
Finance costs	(15,153,310)	(15,154,152)	842	-
Bad debts written off	-	-	-	-
Repairs and maintenance	(5,540,409)	(5,541,427)	1,018	-
Contracted services	(40,103,362)	(40,325,268)	221,906	(0.6)
Operational expenses	(60,324,201)	(60,407,964)	83,763	(0.1)
Other revenue and costs	(400,705,717)	(414,941,854)	14,236,137	(3.4)
Grants and subsidies	(27,231,066)	-	(27,231,066)	-

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Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2024

	Current year 2024 Act. Bal.	Current year 2024 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Loss on disposal of assets	(52,281)	-	(52,281)	-
Gain on fair value adjustments	1,448,201	-	1,448,201	-
Actuarial gain	4,578,000	4,578,000	-	-
	(21,257,166)	4,578,000	(25,835,166)	(564.3) Refer to note 38
Net surplus/ (deficit) for the year	(26,207,474)	3,963,117	(30,170,591)	(761.3) Refer to note 38

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## Appendix E(2)

### Budget Analysis of Capital Expenditure as at 30 June 2024

	Additions	Revised Budget	Variance	Variance	Explanation of significant variances from budget
	Rand	Rand	Rand	%	
<b>Municipality</b>					
Chief Whip	-	-	-	-	
Corporate Services	5,304,064	5,500,000	195,936	4	
Disaster Management	289,197	290,000	803	-	
Executive Mayor	876,895	880,000	3,105	-	
Financial Services	3,660,509	7,916,498	4,255,989	54	Refer to note 37
Internal Audit	-	-	-	-	
LED & Tourism	141,193	150,000	8,807	6	
Community Services	65,701	70,000	4,299	6	
Municipal Manager	562,271	570,000	7,729	1	
Strategic Services	5,880	6,000	120	2	
Rural Development	160,709	170,000	9,291	5	
Social Services	232,061	240,000	7,939	3	
Speaker	928,786	930,000	1,214	-	
Technical Services	564,251	570,000	5,749	1	
Mayoral Committee	-	-	-	-	
	-	-	-	-	
	<b>12,791,517</b>	<b>17,292,498</b>	<b>4,500,981</b>	<b>26</b>	

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