ALFRED NZO

DISTRICT MUNICIPALITY

ANNUAL REPORT 2023 - 2024 FY

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CHAPTER ONE: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

It is with great confidence that as Alfred Nzo District Municipality we are bringing before everyone the annual report for this financial year 2023/2024.

We have taken all the necessary diligence in adhering to the highest standards of operating within all the legislative requirements for reporting on both the financial status and the performance of the municipality.

We have done this because we are committed to achieving a clean audit outcomes and sound governance of our Institution. This is duty we owe to the people of Alfred Nzo and the republic.

We have put in place systems to monitor performance and we have set suitable structures for accountability and to ensure that

There are consequences for non-performance.

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In this light, we have adopted the Risk Adjusted Strategy developed by the Department of Cooperative Governance and Traditional Affairs, in order to ensure that we utilize all the grants we receive from Treasury to prevent any withholding of funds due to non-expenditure. We share a very string conviction that in order to redress the service delivery backlogs, we aught get things done like business unusual. We have reduced unauthorized expenditure significantly and as such we have maintained our unqualified audit opinion.

This is all a result of our commitment to attaining a clean audit opinion.

We do however understand that much, much more needs to be done to free our people of abject poverty they are living in and improve the livelihoods of our people.

We are committed to growing our economy and ensure a better future for all living in our district. Our district is set to benefit from the Multi-billion Rand Easter Seaboard development earmarked for our coastal area and whose concept stretches into the coastal areas as well. We are advocating for an accelerated skills revolution targeting the skilling of our youth in order place them as direct beneficiaries of the massive Job Creation packages that are set to be rolled out

As part of the Eastern Seaboard Development initiative.

As the District Municipality, we proud to share with everyone that we are working in partnership with Umngeni Water and the Department of Water and Sanitation to FastTrack the rollout of water provision from the multi million rand Ludeke Dam. This rollout is a multiyear program that has different multi billion rand packages that are being rolled out by Umngeni Water that included provision of

Bulk pipe installations across Winnie Madikizela Mandela Local municipality in order to ensure easy accessibility of water sources for reticulation to take water to our communities.

We are getting things done and getting things right; and we shall leave no one behind.

As a result of this commitment this annual report is a demonstration of the strides we have made in pushing back the frontiers of underdevelopment, unemployment and poor infrastructure development.

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Cllr. V. Mhlelembana
Executive Mayor

COMPONENT A: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S FOREWORD

Alfred Nzo District Municipality during the financial year 2023-2024 FY embarked on numerous programs that seek to change its landscape. Chief amongst these were at the strategic level. The introduction of vision 2022 expressed in the five year IDP ushered an opportunity wherein our architects (Councillors) crafted a vision which in its form presented a season of home to its communities. Together this vision and the new mission enable the municipality to respond to the clarion call of heighted service delivery whilst ensuring that the basics are mastered through good governance. Importantly, good governance leads to good administration, good management, good performance management, and good behaviors and ultimately yield to good outcomes.

The development of the District Growth Development Plan vision 2030 has also allowed a focused allocation of resources and also gave three important areas the municipality must deal with and these inter alia include focus, attention and time. This new way of orientation is results driven and as such, the concomitant results of a clean administration may be realized within a few years.

The municipality has made major improvement in the audit outcome, from a Qualified Audit in the previous 4 financial years. The municipality has once again obtained an Unqualified Audit Opinion from the Office of the Auditor General for the 2022-2023 FY audit. With the clear strategy and monitoring mechanism on the implementation of the Audit Action plan, we remain optimistic that the district can receive a clean report from the Auditor General. We have submitted to the Auditor General the performance report and annual financial statements for audit by 31st August 2024. We remain optimistic that our systems are improving, thus yielding to a positive audit outcome.

We have ensured that service delivery is heighted albeit the shrinking financial envelop. Also, the introduction of cost containment measures which rewarded the municipality with greater financial returns cannot be underestimated. The partnership between Councillors, administration and the unions was in achieving the latter need to be applauded and the contribution by all made us to subscribe to the old adage "United we stand, divided we fall ". Indeed, Alfred Nzo District Municipality is rising to its calling.

On the Alfred Nzo Development Agency, the Council has engaged in a business re- E engineering process with the assistance of ECSECC to ensure that continued existence of the agency is able to yield fruits for the municipality and the people of the district.

Fraud prevention & Anti-Corruption Strategy and Risk Management

It is the policy of the municipality that fraud, corruption, maladministration or any other dishonest activities of a similar nature will not be tolerated. Such activities will be investigated and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the municipality recoveries where applicable. The council has further approved the Fraud Prevention Plan and Anti-Corruption Strategy to practical sets out the stance of the Municipality with regards to

corruption and fraud, as well as reinforcing existing legislation aimed at preventing, reacting to and reducing the impact of fraud, corruption, theft and maladministration, where these dishonest acts subsist. And also with an aim to develop and foster an environment, where all employees and Councillors shall strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and re-active measures at their disposal.

Alfred Nzo District Municipality interpret Risk Management as both a statutory requirement, and an indispensable element of good management. As such, its implementation is crucial to ANDM and essential to its ability to discharge its various functions, as a service delivery institution, a custodian of public funds, a significant employer, and a major component of the local community. Risk Management for ANDM is about improving our ability to deliver on our strategic objectives by managing our threats, enhancing our opportunities and creating an environment that adds value to ongoing operational activities.

MR. T. MOPELOA
ACTING MUNICIPAL MANAGER

Top 5 strategic risks facing the municipality during 2023/2024 financial year

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

1) Failure to maintain the status as a Water services provider
2) Poor economic development(economic stagnation)
3) Inability to comply with grants requirements/ conditions in terms of spending.
4) Inability for the district to sustain a sound financial status as well as clean governance.
5) Inadequate response to the current and future climate change impacts.

These top risks include measures and strategies to manage them to be within risk appetite and tolerance threshold approved by council. *(See chapter 2: Governance- Component D)*

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1. Strategic Intent

Vision

"By 2030, Alfred Nzo will be a place where communities enjoy much improved public infrastructure in an environmentally sustainable manner, better quality of public services and socio-economic opportunities"

Mission

ANDM being a driver for change will ensure effective delivery of sustainable services in an economic and efficient manner.

1.2.2. Municipal Powers & Functions

The Municipal Structures Act of 1998 (as amended) makes provision for the division of powers and functions between the district and local municipalities. It assigns the district wide functions to the district municipalities and most day-to-day service delivery functions to the local municipalities. The provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services. With regard to the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is still the function of the district. Amongst other things, the powers and functions of the municipalities are as defined as follows (Table 1: Functions and Powers):

Table 1: Powers and Functions

Local Authority Functions	District Functions	Share Functions
Building Regulations, Child Care Facilities Pontoons, Ferries, Jetties, Piers and Harbors. Storm Water Management Systems in Built up Areas, Trading Regulations, Street Lighting, Traffic and Parking, Municipal Roads, Refuse Removal, Refuse Dumps and Solid Waste, Facilities for the Accommodation, Care and Burial of Animals. Fences and Fencing Local Amenities, Local Sport Facilities Municipal Parks and Recreation, Pounds and Public Places, Street Trading and Municipal Airports.	Municipal Health Services, Potable Water, Sanitation, Air Quality Management, Licensing and Control of Undertakings that sell food to the public, Fire Fighting Services and Disaster Management	Local Tourism, Municipal Public Transport, Cemeteries, Funeral Parlors and Crematoria, Markets, Municipal Abattoirs Development Planning Sports, Recreation, Arts & Culture Thusong Centres.

1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.3.1. District Overview

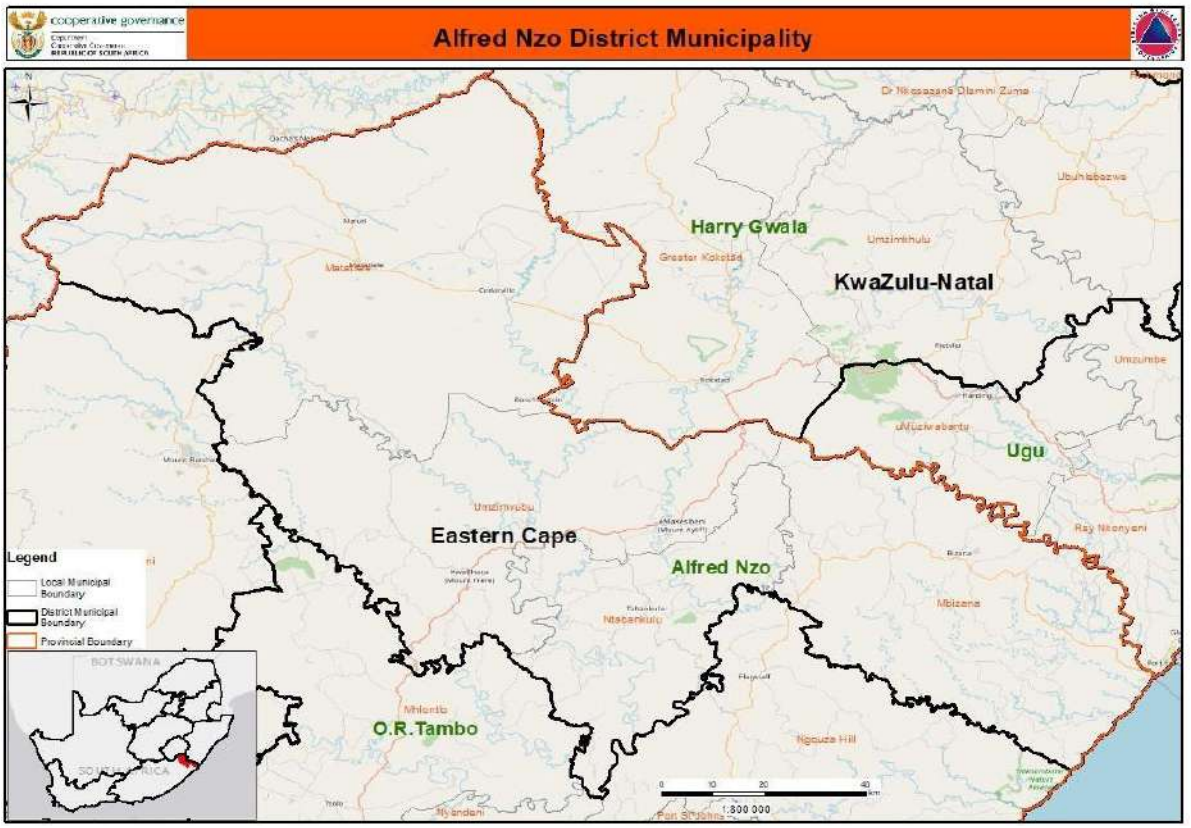
Alfred Nzo District Municipality was historically part of the Transkei homelands. As such the district is characterized by high levels of poverty, based on both income inequality and low level of development. In response to this deprivation, the Alfred Nzo District was one of the presidential poverty nodes identified in the Integrated Sustainable Rural Development Programme (ISRDP), and has been a subject of different forms economic intervention through time.

The Alfred Nzo District Municipality is a Category C municipality that is largely rural in nature, with village settlements defined by the district's geographical footprint through mountain ranges and river systems. Agriculture and tourism make up core components of the local economy. Matatiele municipality is close to the Lesotho/South Africa national border and has two urban nodes – the towns of Matatiele and Cedarville. Matatiele acts as a service node to the agrarian based economy of the area, while Cedarville serves as a secondary service center. Umzimvubu municipality hosts the district's administrative capital in Mt Ayliff and the district's largest economic node in Mt Frere. The N2 traverses the course of the Umzimvubu municipality, and can be seen as its most prominent defining trait.

Ntabankulu municipality has small urban settlements at Ntabankulu town. Ntabankulu has a strong rural presence and is geographically defined by several mountain ranges. Winnie Madikizela-Mandela municipality is the district's gateway to the Wild Coast and has a medium sized town at Bizana. The district has a very mountainous terrain. The landform of the district is generally rugged, with parts of it characterized by steep slopes and high elevations. The topography has implications on the district's natural, social and economic environment. The district is characterized by a high level of biodiversity, and natural resources include river systems, indigenous forests and rich soils. Socially, settlement patterns are determined by the courses of rivers, valleys and hills. The interaction between people and nature also means that the terrain either exacerbates or ameliorates human impacts on the environment.

Economically, a mountainous terrain provides opportunities and challenges not found in other areas. Opportunities include potential for scenic tourism and forestry activity. Challenges include high costs of doing business, given the implications of mountains and hills for the provision of infrastructure such as roads, electricity and telecommunications.

Figure 1: ANDM District Map



Source: ANDM Profile and Analysis DDM: 2021

1.3.2. Demographic Profile

Alfred Nzo District Municipality (EC443) was established in terms of Section 155 (1) (c) of the Constitution of the Republic of South Africa.The District is largely rural in nature, with village settlements defined by the district's geographical footprint through mountain ranges and river systems. Agriculture and tourism make up core components of the local economy. Matatiele municipality is close to the Lesotho/South Africa national border and has two urban nodes (Matatiele and Cedarville). Matatiele acts as a service node to the agrarian based economy of the area, while Cedarville serves as a secondary service centre. Umzimvubu municipality hosts the district's administrative capital in Mt Ayliff and the district's largest economic node in Mt Frere. The N2 traverses the course of the Umzimvubu municipality, and can be seen as its most prominent defining trait.

Ntabankulu Local Municipality (NLM) has small urban settlements at Ntabankulu town. NLM has a strong rural presence and is geographically defined by several mountain ranges. Winnie Madikizela Mandela Local Municipality (WMM LM) is the district's gateway to the Wild Coast and has a medium sized town at Bizana. The district has a very mountainous terrain, with land form of the district is generally rugged, with parts of it characterized by steep slopes and high elevations. The topography has implications on the district's natural, social and economic environment. The district is characterized by a high level of biodiversity, and natural resources include river systems, indigenous forests and soils.

Socially, settlement patterns are determined by the courses of rivers, valleys and hills. The interaction between people and nature also means that the terrain either exacerbates or ameliorates human impacts on the environment.The district map showing the coverage is presented below (figure 1):

Source: https://municipalities.co.za/map/101/alfred-nzo-district-municipality).

1.3.3. Demographic Composition

The population of South Africa grew by 19.8 percentage points between 2011 and 2023, from 51.7 million persons in 2011 to 62 million persons in 2023. The district has a total population of 936 462, of which 439 455 (46.9%) are males and 497 006 (53.1%) are females. Alfred Nzo District house 1.5% of South Africa's total population. The population of Alfred Nzo District grew by 16.9% between 2011 and 2023, from 801 344 in 2011 to 936 462 in 2023, which is slightly lower than the growth rate of South Africa as a whole. In comparison to the Eastern Cape's average annual growth rate (10.2%), the growth rate of the Alfred Nzo district population at 16.9% was higher than that of the province (see table 1 and figure 3 below).

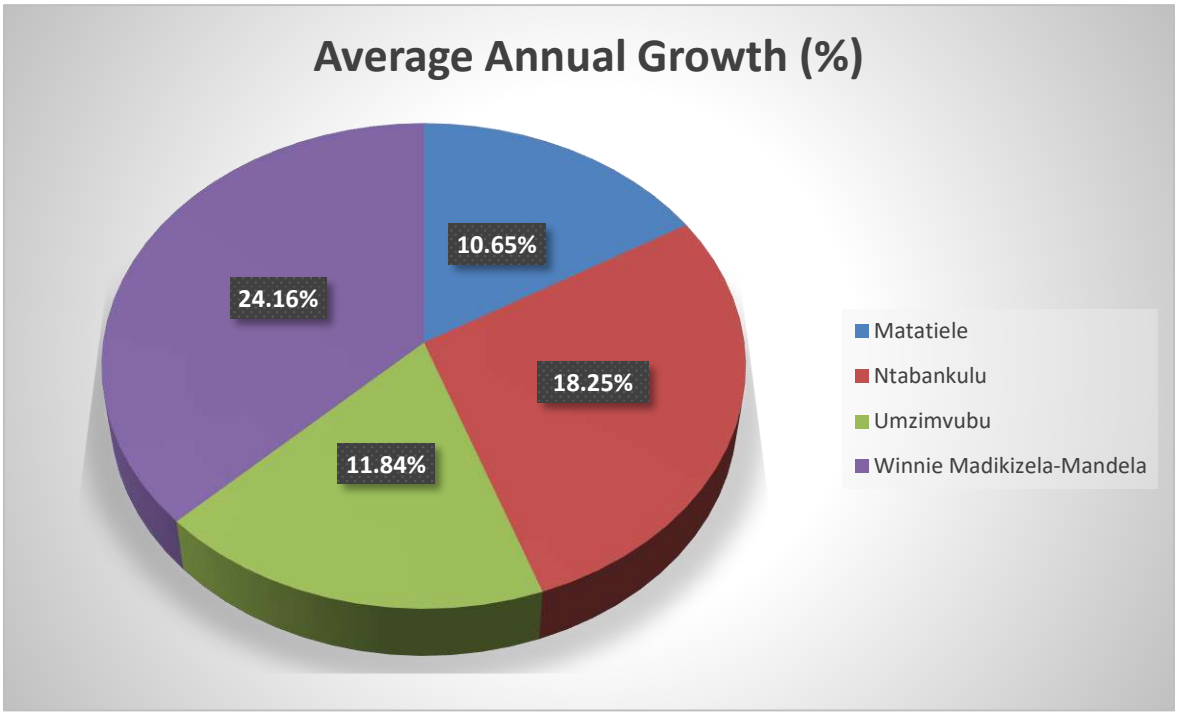
Table 1: District's total population growth since 2011 to 2023

Municipalities	2023	2016	2011
Matatiele	225 562	219 447	203 843
Ntabankulu	146 423	128 848	123 821

Umzimvubu	214 477	199 620	191 775
Winnie Madikizela-Mandela	350 000	319 948	281 905
Alfred Nzo District	**936 462**	**867 864**	**801 344**

Source: Statistics South Africa: Census 2023

Figure 3: Alfred Nzo district average annual growth %



The Winnie Madikizela-Mandela Local Municipality increased the most, in terms of population, with an average annual growth rate of 24.16%. The Ntabankulu Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 18.25%, followed by Umzimvubu Local Municipality with a growth rate of 11.84%, while the Matatiele Local Municipality had the lowest average annual growth rate of 10.65% relative to the others within the Alfred Nzo District Municipality

1.3.4. Population by Population Group, Gender and Age

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

Alfred Nzo District Municipality's male/female split in population was 88, 4 males per 100 females in 2022. The Alfred Nzo District Municipality appears to be a stable population with the share of female population (53.1%) being similar to the national average of (51.5%). In total there were 497 006 females and 439 455 males.

Table 3: Population by gender (Eastern Cape)

District/Metropolitan Municipalities	Male	Female	Total
Alfred Nzo	**439 455**	**497 006**	**936 462**
Amathole	415 004	456 598	871 601
Buffalo City	461 693	513 562	975 255
Chris Hani	396 638	431 750	828 387
Joe Gqabi	186 571	206 477	393 048
Nelson Mandela Bay	563 211	627 285	1 190 496
O.R Tambo	707 798	793 904	1 501 702
Sarah Baartman	253 673	279 580	533 253
Eastern Cape	**3 424 042**	**3 806 162**	**7 230 204**

Source: Statistics South Africa: Census 2022

In 2022, the Alfred Nzo District Municipality's population consisted of 99.1% African (927 772), 0.2% White (2 135), 0.4% Coloured (3 404) and 0.2% Asian (1 733) people. The largest share of population is within the young working age (25-44 years) age category with 57, 6% of the total population. The age category with the second largest number of people is the children (0-14 years) age category with a total share of 35,8%, followed by the late middle age (45-64 years) age category with 48 954 people. The age category with the least number of people is the retired/old age (65 years and older) age category with only 6.6% of the District Population (refer to table 4 below).

Table 4: Alfred Nzo District Population by group, gender and age (2022)

Age Groups	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+	ANDM Total
Alfred Nzo	**119 878**	**105 143**	**110 368**	**100 545**	**82 595**	**76 318**	**59 544**	**52 807**	**41 587**	**35 770**	**29 864**	**30 545**	**29 579**	**22 729**	**15 871**	**9 881**	**6 614**	**6 811**	**936 450**
Matatiele	27 045	23 877	24 967	23 562	19 060	16 636	14 451	12 908	10 843	9 470	7 979	8 497	8 309	6 799	4 728	2 975	1 785	1 669	225 560
Umzimvubu	24 955	22 246	23 983	21 756	18 719	17 883	14 489	12 686	10 426	8 866	7 400	7 552	7 347	6 038	4 269	2 738	1 568	1 550	214 473
Winnie Madikizela-Mandela	47 670	42 055	43 882	39 328	31 868	29 748	21 532	19 098	14 267	12 409	10 213	10 084	9 615	6 442	4 527	2 765	2 206	2 284	349 994
Ntabankulu	20 208	16 965	17 535	15 899	12 947	12 051	9 072	8 114	6 051	5 024	4 272	4 412	4 308	3 450	2 347	1 404	1 055	1 308	146 423

Source: Statistics South Africa: Census 2022

Although the statistics in table 3 depict that a large percentage of the district's population comprises of young people, the education levels in the district do not tell a pleasant story. The district comprises of large numbers of low levels of education. Table 4 and figure 4 exemplifies the state of education in the district. It is alarming to note that only 7,4% of the population have Higher/National/Advanced certificates with Grade 12/Occupational certificate NQ or higher in the district, considering that education is one of the government's key priorities, to ensure economic growth and stability and combat poverty in South Africa.

Table 5: Level of education in the district

Municipality	No schooling	Some primary	Completed primary	Some secondary	Grade 12/Std10	Higher	Other
Alfred Nzo	38 433	76 590	29 808	183 248	102 961	34 525	2 136
Matatiele	5 469	19 522	9 140	48 510	25 842	8 584	598
Umzimvubu	4 801	17 507	7 567	47 456	26 654	9 374	585
WMM LM	19 225	26 110	8 546	60 392	37 886	12 841	650
Ntabankulu	8 938	13 450	4 555	26 891	12 579	3 726	303

Source: Statistics South Africa: Census 2022

1.3.5. Current Population Growth Trend

According (Statistics South Africa, Census 2022). The population Structure in figure 4 and table 5 reflects a projected change in the structure of the population between 2011 and 2022. The differences can be explained as follows:

a. There was significantly increase (60%) in female population share of the elderly people over the age of 85 between 2011 (3 447) and 2022(5 564). However, the population between 80-85 years old in Alfred Nzo decreased by 6% for males and 8% for females.

b. The fertility rate in between 2011 and 2022 for both male and female set at 7%.

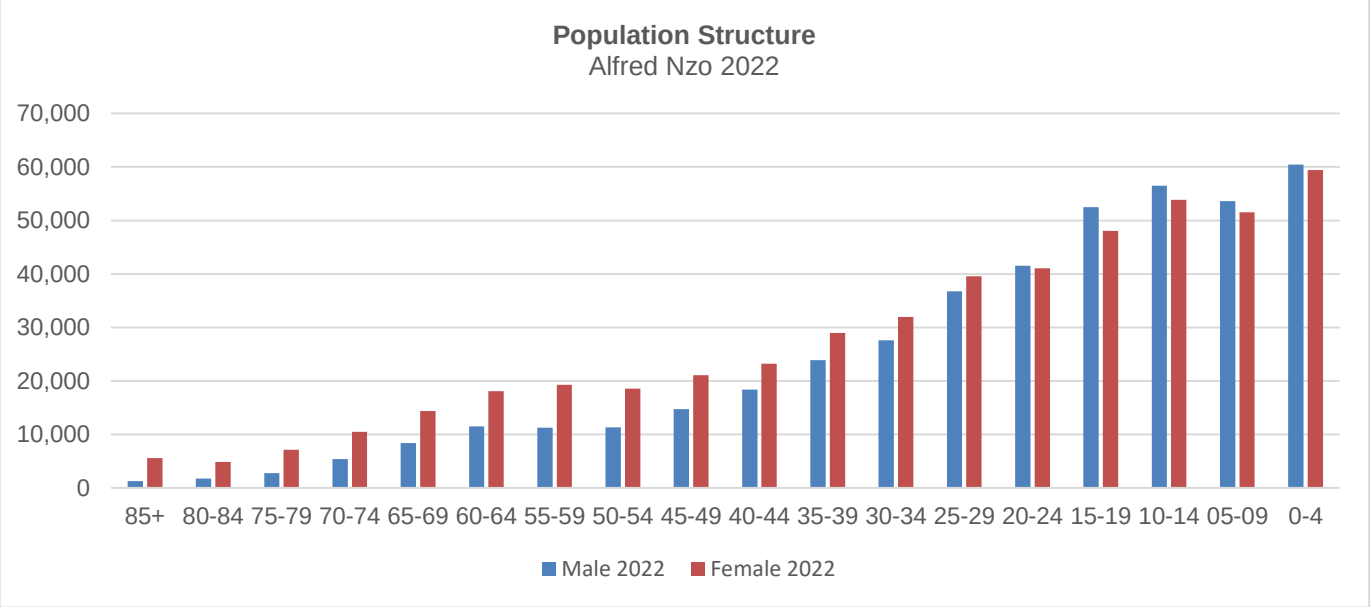
c. The average growth of male population between 2011 and 2022 for the ages 25-49 years old is 70%, this could be due to inward migration.

d. For both male and female between the ages of 15-19 years old the population have decreased and this could be as a resolute of outward migration due to educational opportunities outside the district.

Table 6: Alfred Nzo District projected population growth rate by Gender between 2011 and 2022

Age	Male 2022	Male 2011	Male Populating increase	Male Population Rate	Female 2022	Female 2011	Female Populating increase	Female Populating rate
85+	1 248	1 085	163	15%	5 564	3 447	2 117	61%
80-84	1 753	1 867	-114	-6%	4 862	5 312	-450	-8%
75-79	2 767	2 714	53	2%	7 114	7 283	-169	-2%
70-74	5 387	4 212	1 175	28%	10 484	8 576	1 908	22%
65-69	8 356	5 289	3 067	58%	14 373	9 729	4 644	48%
60-64	11 482	7 730	3 752	49%	18 097	12 782	5 315	42%
55-59	11 268	8 428	2 840	34%	19 277	14 294	4 983	35%
50-54	11 301	9 951	1 350	14%	18 563	16 793	1 770	11%
45-49	14 722	9 790	4 932	50%	21 048	17 833	3 215	18%
40-44	18 367	10 261	8 106	79%	23 220	18 281	4 939	27%
35-39	23 854	13 118	10 736	82%	28 953	20 424	8 529	42%
30-34	27 564	16 020	11 544	72%	31 980	21 630	10 350	48%
25-29	36 770	22 361	14 409	64%	39 548	27 564	11 984	43%
20-24	41 536	33 850	7 686	23%	41 058	36 424	4 634	13%
15-19	52 511	53 516	-1 005	-2%	48 033	53 078	-5 045	-10%
10-14	56 519	55 512	1 007	2%	53 849	52 924	925	2%
05-09	53 616	54 365	-749	-1%	51 527	53 163	-1 636	-3%
0-4	60 424	56 420	4 004	7%	59 454	55 320	4 134	7%

Figure 7: Population pyramid –Alfred Nzo District, 2022



1.3.6. Economic Analysis

The economic state of the Alfred Nzo District is put into perspective by comparing it on a spatial level

with its neighboring district municipalities. The section will also allude to the economic composition and contribution of the regions within Alfred Nzo District Municipality. The Alfred Nzo District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality, respectively.

1.3.7. Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance is used to compare economies and economic states. Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

Gross Domestic Product (GDP) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [R Billions, Current prices]

	Alfred Nzo	*Eastern Cape*	*National Total*	*Alfred Nzo as % Of province*	*Alfred Nzo as % of national*
2010	8.6	241.1	3,055.6	3.6%	0.28%
2011	9.2	255.4	3,327.0	3.6%	0.28%
2012	10.3	283.4	3,566.4	3.6%	0.29%
2013	11.0	305.7	3,868.6	3.6%	0.28%
2014	11.8	326.3	4,133.9	3.6%	0.29%
2015	12.8	352.9	4,420.8	3.6%	0.29%
2016	13.6	373.2	4,759.6	3.6%	0.28%
2017	14.6	400.4	5,078.2	3.6%	0.29%
2018	15.3	421.2	5,357.6	3.6%	0.29%
2019	15.9	435.6	5,605.0	3.6%	0.28%
2020	15.5	423.5	5,521.1	3.7%	0.28%

Source: IHS Markit Regional eXplorer version 2201

With a GDP of R 15.5, billion in 2020 (up from R 8.63 billion in 2010); the Alfred Nzo District Municipality contributed 3.66% to the Eastern Cape Province GDP of R 423 billion in 2020 increasing in the share of the Eastern Cape from 3.58% in 2010. The Alfred Nzo District Municipality contributes 0.28% to the

GDP of South Africa, which had a total GDP of R 5.52 trillion in 2020 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2010 when it contributed 0.28% to South Africa, but it is lower than the peak of 0.29% in 2015.

Gross Domestic Product (GDP) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Annual percentage change, Constant 2010 prices]

	Alfred Nzo	Eastern Cape	National Total
2010	-2.2%	1.9%	2.6%
2011	2.8%	3.3%	3.2%
2012	0.5%	2.0%	2.4%
2013	0.6%	1.4%	2.5%
2014	1.3%	0.7%	1.4%
2015	1.8%	1.0%	1.3%
2016	0.9%	0.8%	0.7%
2017	0.6%	0.5%	1.2%
2018	0.5%	1.0%	1.5%
2019	0.0%	-0.1%	0.1%
2020	-5.4%	-6.6%	-6.4%
Average Annual growth2010-2020	**0.35%**	**0.39%**	**0.74%**

Source: IHS Markit Regional eXplorer version 2201

In 2020, the Alfred Nzo District Municipality achieved an annual growth rate of -5.41%, which is a significantly higher GDP growth than the Eastern Cape Province's -6.58%, and is higher than that of South Africa, where the 2020 GDP growth rate was -6.43%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Alfred Nzo (0.35%) is slightly lower than that of South Africa (0.74%). The economic growth in Alfred Nzo peaked in 2011 at 2.79%.

Gross Domestic Product (GDP) - local municipalities of Alfred Nzo District Municipality, 2010 to 2020, share and growth

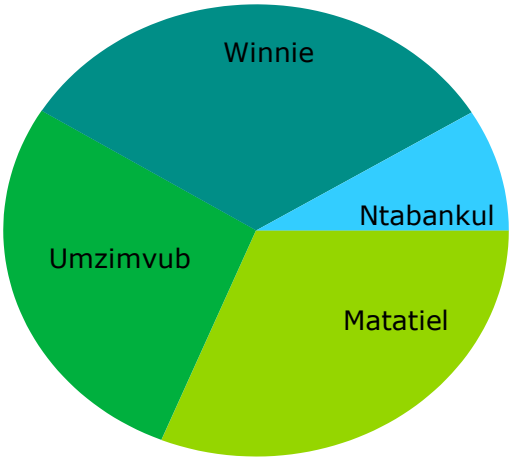
Municipality	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constantprices)	Average Annual growth
Matatiele	4.82	31.12%	3.51	3.76	0.69%
Umzimvubu	4.30	27.76%	3.12	3.29	0.53%
Winnie Madikizela-Mandela	5.01	32.38%	3.79	3.83	0.11%
Ntabankulu	1.35	8.74%	1.10	1.05	-0.51%
Alfred Nzo	15.48		11.51	11.92	

Source: IHS Markit Regional eXplorer version 2201

Matatiele had the highest average annual economic growth, averaging 0.69% between 2010 and 2020, when compared to the rest of the regions within the Alfred Nzo District Municipality. The Umzimvubu Local Municipality had the second highest average annual growth rate of 0.53%. Ntabankulu Local Municipality had the lowest average annual growth rate of -0.51% between 2010 and 2020.

GDP contribution - local municipalities of Alfred Nzo District Municipality, 2020 [Current prices, percentage]

Gross Domestic Product (GDP)
Alfred Nzo District Municipality, 2020



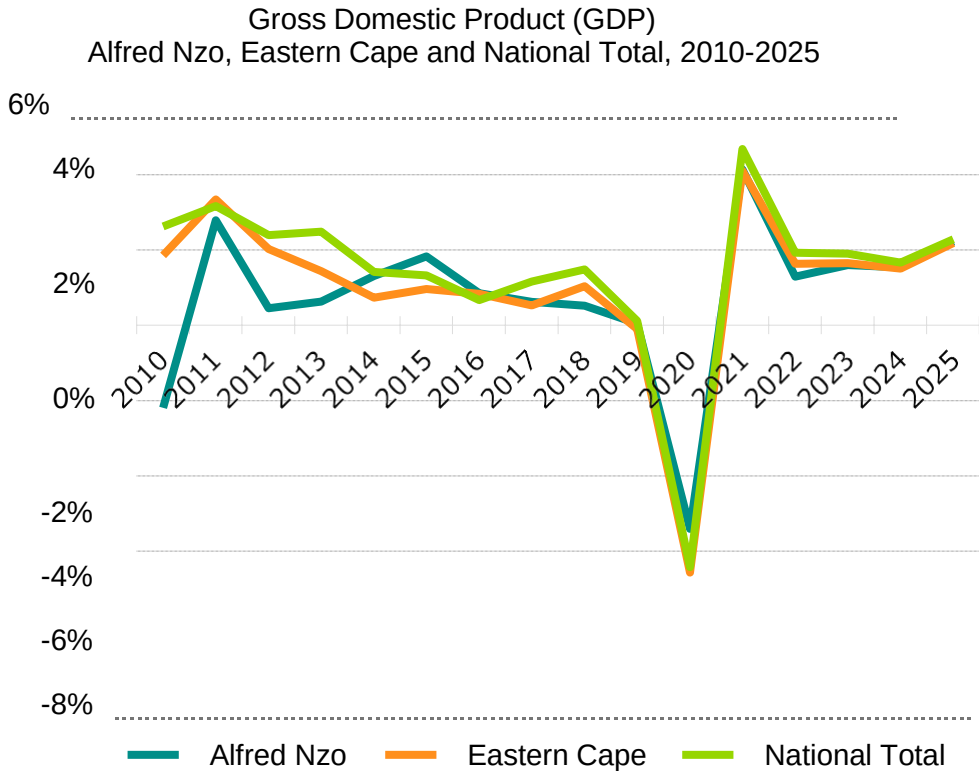
Source: IHS Markit Regional eXplorer version 2201

The greatest contributor to the Alfred Nzo District Municipality economy is the Winnie Madikizela-Mandela Local Munnicipalitywith a share of 32.38% or R 5.01 billion, increasing from R 2.87 billion in 2010. The economy with the lowest contribution is the Ntabankulu Local Municipality with R 1.35 billion growing from R 826 million in 2010.

1.3.8. Economic Growth Forecast

It is expected that Alfred Nzo District Municipality will grow at an average annual rate of 2.16% from 2020 to 2025. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 2.22% and 2.49% respectively.

Gross Domestic Product (GDP) - Alfred Nzo, Eastern Cape and National Total, 2010-2025 [Average annual growth rate, constant 2010 prices]



Source: IHS Markit Regional eXplorer version 2201

In 2025, Alfred Nzo has forecasted GDP will be an estimated R 13.3 billion (constant 2010 prices) or 3.6% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Alfred Nzo District Municipality will remain the same between 2020 and 2025, with a contribution to the Eastern Cape Province GDP of 3.6% in 2025 compared to the 3.6% in 2020. At a 2.16% average annual GDP growth rate between 2020 and 2025, Alfred Nzo ranked the third compared to the other regional economies.

It is expected that Alfred Nzo District Municipality will grow at an average annual rate of 2.16% from 2020 to 2025. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 2.22% and 2.49% respectively. In 2025, Alfred Nzo's forecasted GDP will be an estimated R 13.3 billion (constant 2010 prices) or 3.6% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Alfred Nzo District Municipality will remain the same between 2020 and 2025, with a contribution to the Eastern Cape Province GDP of 3.6% in 2025 compared to the 3.6% in 2020. At a

2.16% average annual GDP growth rate between 2020 and 2025, Alfred Nzo ranked the third compared to the other regional economies.

Gross Domestic Product (GDP) - local municipalities of Alfred Nzo District Municipality, 2020 to 2025, share and growth

Municipality	2025 (Current prices)	Share of district municipality	2020 (Constant prices)	2025 (Constant prices)	Average Annual growth
Matatiele	6.71	30.82%	3.76	4.15	2.01%
Umzimvubu	6.24	28.64%	3.29	3.79	2.89%
Winnie Madikizela Mandela	6.93	31.81%	3.83	4.15	1.62%
Ntabankulu	1.90	8.73%	1.05	1.17	2.31%
Alfred Nzo	21.78		11.92	13.26	

Source: IHS Markit Regional eXplorer version 2201

When looking at the regions within the Alfred Nzo District Municipality it is expected that from 2020 to 2025 the Umzimvubu Local Municipality will achieve the highest average annual growth rate of 2.89%. The region that is expected to achieve the second highest average annual growth rate is that of Ntabankulu Local Municipality, averaging 2.31% between 2020 and 2025. On the other hand, the region that performed the poorest relative to the other regions within Alfred Nzo District Municipality was the Winnie Madikizela-Mandela Local Munnicipalitywith an average annual growth rate of 1.62%.

1.3.9. Gross Value Added by Industry (GVA-R)

The Alfred Nzo District Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy. Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors. The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Alfred Nzo District Municipality.

Gross Value Added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2020 [R billions, current price.

Industry	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
Agriculture	0.2	7.4	139.5	2.9%	0.15%

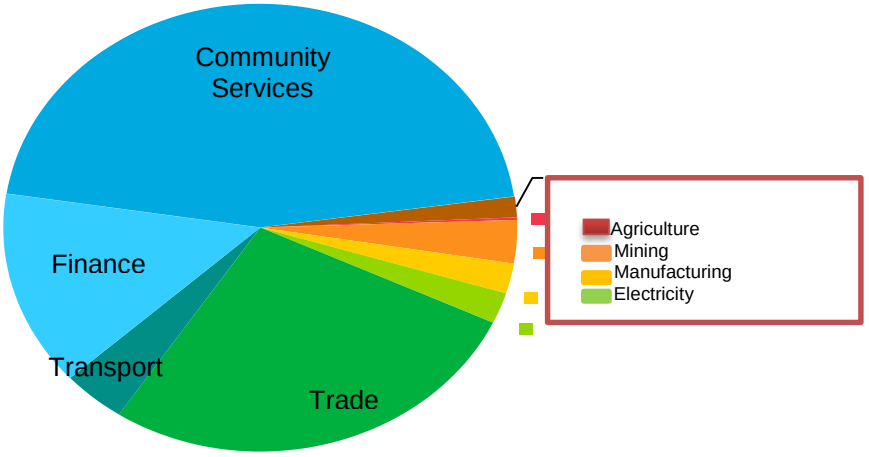
Mining	0.0	0.5	353.2	5.4%	0.01%
Manufacturing	0.4	49.1	648.4	0.9%	0.07%
Electricity	0.3	8.6	157.3	3.6%	0.20%
Construction	0.3	10.4	134.3	3.0%	0.24%
Trade	3.9	66.1	659.5	5.9%	0.59%
Transport	0.6	25.1	368.8	2.3%	0.15%
Finance	2.0	85.7	1,216.0	2.4%	0.17%
Community services	6.5	130.1	1,320.8	5.0%	0.49%
Total Industries	14.2	383.0	4,997.9	3.7%	0.29%

Source: IHS Markit Regional eXplorer version 2201

In 2020, the community services sector is the largest within Alfred Nzo District Municipality accounting for R 6.46 billion or 45.3% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Alfred Nzo District Municipality is the trade sector at 27.3%, followed by the finance sector with 14.2%. The sector that contributes the least to the economy of Alfred Nzo District Municipality is the mining sector with a contribution of R 27 million or 0.19% of the total GVA.

Gross Value Added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2020 [percentage composition]

Gross Value Added (GVA) by broad economic sector
Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Matatiele Local Municipality made the largest contribution to the community services sector at 32.26% of the district municipality. As a whole, the Matatiele Local Municipality contributed R4.45 billion or 31.21% to the GVA of the Alfred Nzo District Municipality. The region within Alfred Nzo District Municipality that contributes the most to the GVA of the district municipality was the Winnie

Madikizela-Mandela Local Munnicipality with a total of R 4.65 billion or 32.63%.

Gross Value Added (GVA) by broad economic sector - local municipalities of Alfred Nzo District Municipality, 2020 [percentage composition]

Source: IHS Markit Regional eXplorer version 2201

1.3.9. Historical Economic Growth

For the period 2020 and 2010, the GVA in the finance sector had the highest average annual growth rate in Alfred Nzo at 2.94%. The industry with the second highest average annual growth rate is the agriculture sector averaging at 1.04% per year. The electricity sector had an average annual growth rate of -1.43%, while the construction sector had the lowest average annual growth of -2.32%. Overall, a negative growth existed for all the industries in 2020 with an annual growth rate of -4.61% since 2019.

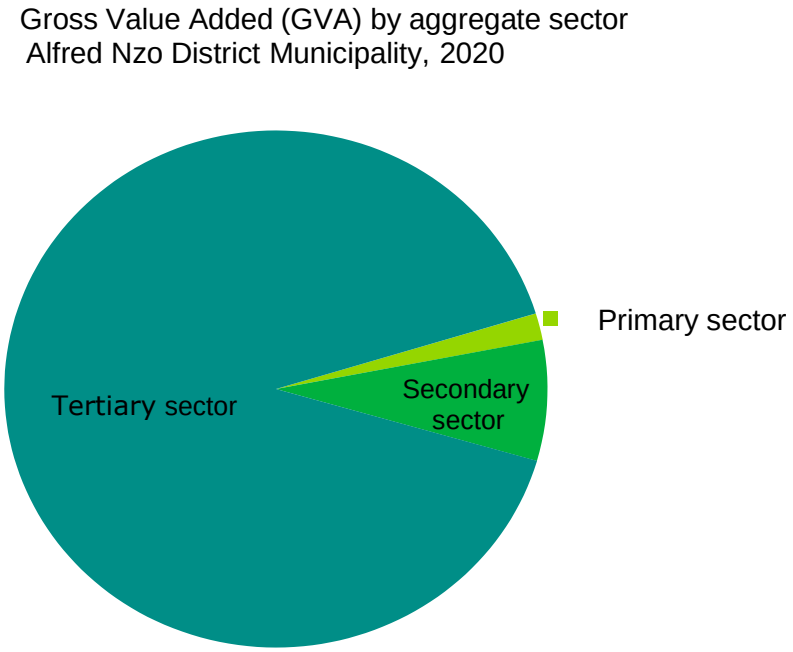
Gross Value Added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2010, 2015 and 2020 [R millions, 2010 constant prices]

Sector	2010	2015	2020	Average Annual growth
Agriculture	121.6	143.2	134.8	1.04%
Mining	34.1	34.0	30.6	-1.07%
Manufacturing	368.1	362.5	341.7	-0.74%
Electricity	163.0	158.6	141.1	-1.43%
Construction	335.4	355.6	265.3	-2.32%
Trade	3,081.0	3,345.0	2,930.5	-0.50%
Transport	509.6	551.2	493.3	-0.32%
Finance	1,194.9	1,472.2	1,596.0	2.94%
Community services	4,711.0	4,843.8	5,034.3	0.67%
Total Industries	10,518.7	11,265.9	10,967.6	0.42%

Source: IHS Markit Regional eXplorer version 2201

The tertiary sector contributes the most to the Gross Value Added within the Alfred Nzo District Municipality at 90.8%. This is significantly higher than the national economy (71.3%). The secondary sector contributed a total of 7.5% (ranking second), while the primary sector contributed the least at 1.7%.

Gross Value Added (GVA) by aggregate economic sector - Alfred Nzo District Municipality, 2020 [percentage]



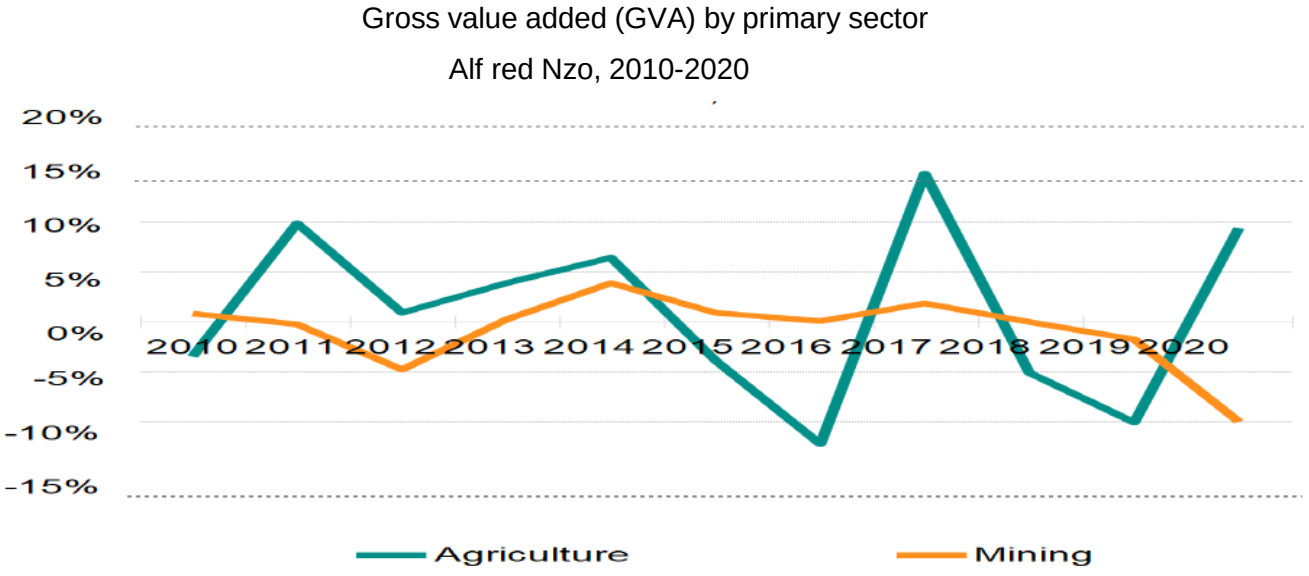
Source: IHS Markit Regional eXplorer version 2201

Breakdown of the Gross Value Added (GVA) by aggregated sector

1.3.10. Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Alfred Nzo District Municipality from 2010 to 2020.

Gross Value Added (GVA) by primary sector - Alfred Nzo, 2010-2020 [Annual percentage change]



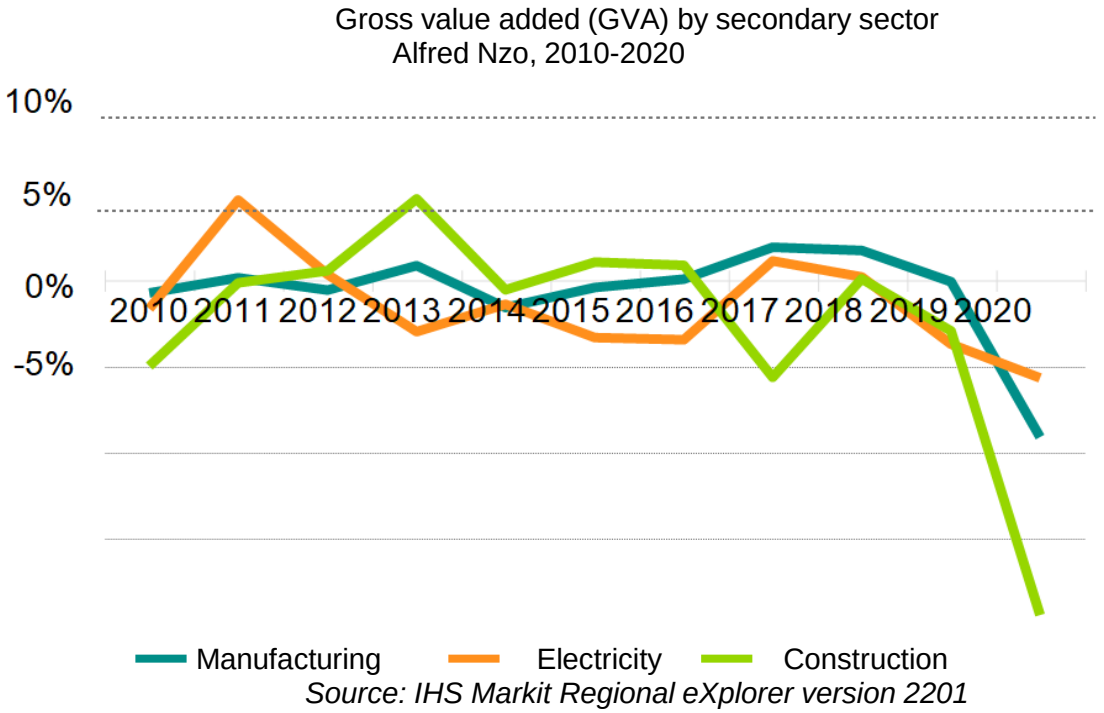
Source: IHS Markit Regional eXplorer version 2201

Between 2010 and 2020, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 14.8%. The mining sector reached its highest point of growth of 3.8% in 2014. The agricultural sector experienced the lowest growth for the period during 2016 at -12.2%, while the mining sector reaching its lowest point of growth in 2020 at -10.0%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

1.3.11. Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Alfred Nzo District Municipality from 2010 to 2020.

Gross Value Added (GVA) by secondary sector - Alfred Nzo, 2010-2020 [Annual percentage change]



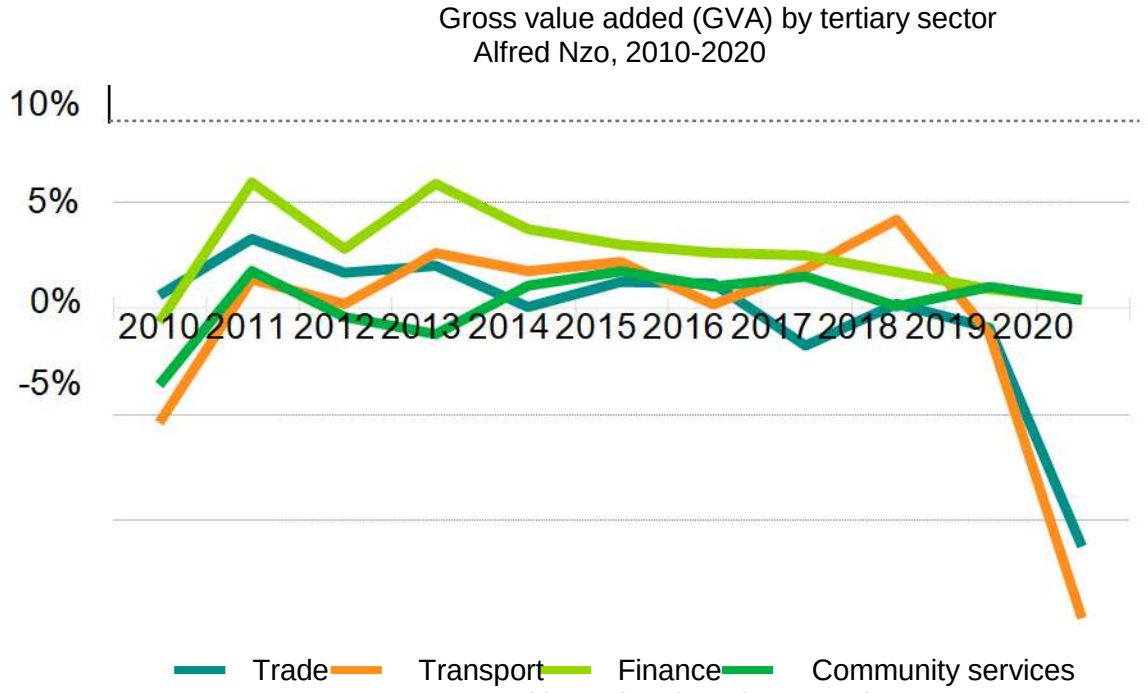
Source: IHS Markit Regional eXplorer version 2201

Between 2010 and 2020, the manufacturing sector experienced the highest positive growth in 2017 with a growth rate of 1.9%. The construction sector reached its highest growth in 2013 at 4.8%. The manufacturing sector experienced its lowest growth in 2020 of -9.1%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -19.5% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2011 at 4.7%, while it recorded the lowest growth of -5.7% in 2020.

1.3.12. Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Alfred Nzo District Municipality from 2010 to 2020.

Gross Value Added (GVA) by tertiary sector - Alfred Nzo, 2010-2020 [Annual percentage change]



Source: IHS Markit Regional eXplorer version 2201

The trade sector experienced the highest positive growth in 2011 with a growth rate of 3.3%. The transport sector reached its highest point of growth in 2018 at 4.1%. The finance sector experienced the highest growth rate in 2011 when it grew by 5.9% and recorded the lowest growth rate in 2010 at -0.6%. The Trade sector had the lowest growth rate in 2020 at -11.2%. The community services sector, which largely consists of government, experienced its highest positive growth in 2011 with 1.7% and the lowest growth rate in 2010 with -3.6%.

1.3.13. Sector Growth Forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that, have prominent sectors that are forecast to grow rapidly in the national economy, (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

Gross value added (GVA) by broad economic sector - Alfred Nzo District

Municipality, 2020-2025 [R millions, constant 2010 prices]

Economic sector	2020	2021	2022	2023	2024	2025	Average Annual growth
Agriculture	134.8	144.4	140.4	140.2	142.2	146.0	1.61%
Mining	30.6	36.9	36.0	34.9	34.5	34.2	2.20%
Manufacturing	341.7	363.2	372.6	379.5	383.5	389.7	2.66%
Electricity	141.1	146.6	151.4	155.2	159.0	163.9	3.04%
Construction	265.3	264.2	274.1	282.1	289.7	298.3	2.37%
Trade	2,930.5	3,133.2	3,199.7	3,263.6	3,315.2	3,381.8	2.91%
Transport	493.3	516.4	525.8	538.9	551.5	567.9	2.86%
Finance	1,596.0	1,672.9	1,727.6	1,773.9	1,817.7	1,873.7	3.26%
Community services	5,034.3	5,095.1	5,079.1	5,112.3	5,157.3	5,253.6	0.86%
Total Industries	10,967.6	11,373.0	11,506.6	11,680.6	11,850.6	12,109.0	2.00%

Source: IHS Markit Regional eXplorer version 2201

The finance sector is expected to grow fastest at an average of 3.26% annually from R 1.6 Billion in Alfred Nzo District Municipality to R 1.87 billion in 2025. The community services sector is estimated to be the largest sector within the Alfred Nzo District Municipality in 2025, with a total share of 43.4% of the total GVA (as measured in current prices), growing at an average annual rate of 0.9%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.86%.

The Primary sector is expected to grow at an average annual rate of 1.72% between 2020 and 2025, with the Secondary sector growing at 2.63% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.96% for the same period. Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

1.3.14. Labour

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

employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Working age population in Alfred Nzo, Eastern Cape and National Total, 2010 and 2020 [Number]

Age	Alfred Nzo		Eastern Cape		National Total	
	2010	2020	2010	2020	2010	2020
15-19	116,000	98,400	809,000	651,000	5,220,000	4,700,000
20-24	86,600	74,000	737,000	620,000	5,360,000	4,760,000
25-29	60,000	78,400	578,000	726,000	4,800,000	5,460,000
30-34	37,200	67,500	389,000	655,000	3,890,000	5,570,000
35-39	28,500	49,600	313,000	514,000	3,390,000	4,790,000
40-44	22,700	29,600	265,000	349,000	2,790,000	3,710,000
45-49	24,400	24,500	274,000	283,000	2,510,000	3,130,000
50-54	24,800	20,100	267,000	240,000	2,150,000	2,540,000
55-59	21,000	21,200	222,000	247,000	1,740,000	2,250,000
60-64	19,200	25,500	188,000	235,000	1,400,000	1,890,000
Total	441,000	489,000	4,040,000	4,520,000	33,300,000	38,800,000

Source: IHS Markit Regional eXplorer version 2201

The working age population in Alfred Nzo in 2020 was 489 000, increasing at an average annual rate of 1.03% since 2010. For the same period the working age population for Eastern Cape Province increased at 1.12% annually, while that of South Africa increased at 1.56% annually. The graph below combines all the facets of the labour force in the Alfred Nzo District Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side. The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Economically active population (EAP) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [number, percentage]

Year	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	126,000	1,720,000	18,000,000	7.3%	0.70%

2011	124,000	1,730,000	18,300,000	7.2%	0.68%
2012	127,000	1,760,000	18,700,000	7.2%	0.68%
2013	134,000	1,830,000	19,300,000	7.3%	0.70%
2014	144,000	1,920,000	20,100,000	7.5%	0.72%
2015	152,000	2,000,000	20,800,000	7.6%	0.73%
2016	162,000	2,090,000	21,500,000	7.8%	0.75%
2017	173,000	2,180,000	22,000,000	7.9%	0.78%
2018	179,000	2,240,000	22,300,000	8.0%	0.80%
2019	190,000	2,330,000	22,700,000	8.2%	0.84%
2020	189,000	2,330,000	22,100,000	8.1%	0.85%
Average Annual growth					
2010-2020	4.12%	3.08%	2.08%		

Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality's EAP was 189 000 in 2020, which is 21.17% of its total population of 892 000, and roughly 8.12% of the total EAP of the Eastern Cape Province. From 2010 to 2020, the average annual increase in the EAP in the Alfred Nzo District Municipality was 4.12%, which is 1.04 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

EAP as % of total population - Alfred Nzo and the rest of Eastern Cape, 2010, 2015, 2020 [percentage]

	2010	2015	2020
Alfred Nzo	15.5%	18.0%	21.2%
Nelson Mandela Bay	43.0%	43.9%	44.6%
Buffalo City	37.4%	40.5%	43.9%
Sarah Baartman	37.4%	40.3%	42.0%
Amatole	18.1%	21.3%	25.4%
Chris Hani	20.6%	24.0%	27.6%
Joe Gqabi	22.7%	26.6%	29.6%
O.R.Tambo	16.4%	19.0%	22.6%

Source: IHS Markit Regional eXplorer version 2201

In 2010, 15.5% of the total population in Alfred Nzo District Municipality were classified as economically active which increased to 21.2% in 2020. Compared to the other regions in Eastern Cape Province, Nelson Mandela Bay Metropolitan Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Alfred Nzo District Municipality had the lowest EAP with 21.2% people classified as economically active population in 2020.

1.3.15. Labour force participation rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Alfred Nzo, Eastern Cape and National Total as a whole.

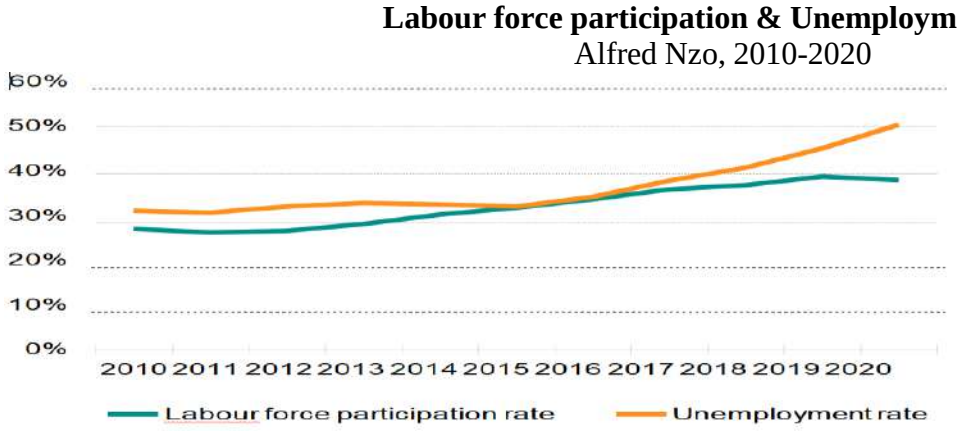
The labour force participation rate - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [percentage]

	Alfred Nzo	Eastern Cape	National Total
2010	28.6%	42.5%	54.1%
2011	27.9%	42.2%	53.9%
2012	28.2%	42.5%	54.3%
2013	29.6%	43.8%	55.2%
2014	31.6%	45.6%	56.6%
2015	33.0%	47.0%	57.7%
2016	34.8%	48.5%	58.8%
2017	36.8%	50.2%	59.5%
2018	37.7%	50.9%	59.4%
2019	39.4%	52.3%	59.4%
2020	38.7%	51.5%	57.0%

Source: IHS Markit Regional eXplorer version 2201

The Alfred Nzo District Municipality's labour force participation rate increased from 28.62% to 38.66% which is an increase of 10 percentage points. The Eastern Cape Province increased from 42.52% to 51.49%, South Africa increased from 54.14% to 57.01% from 2010 to 2020.The Alfred Nzo District Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2010 to 2020. The Alfred Nzo District Municipality had a lower labour force participation rate when compared to South Africa in 2020.

The labour force participation and unemployment rates - Alfred Nzo District Municipality, 2010-2020 [percentage]

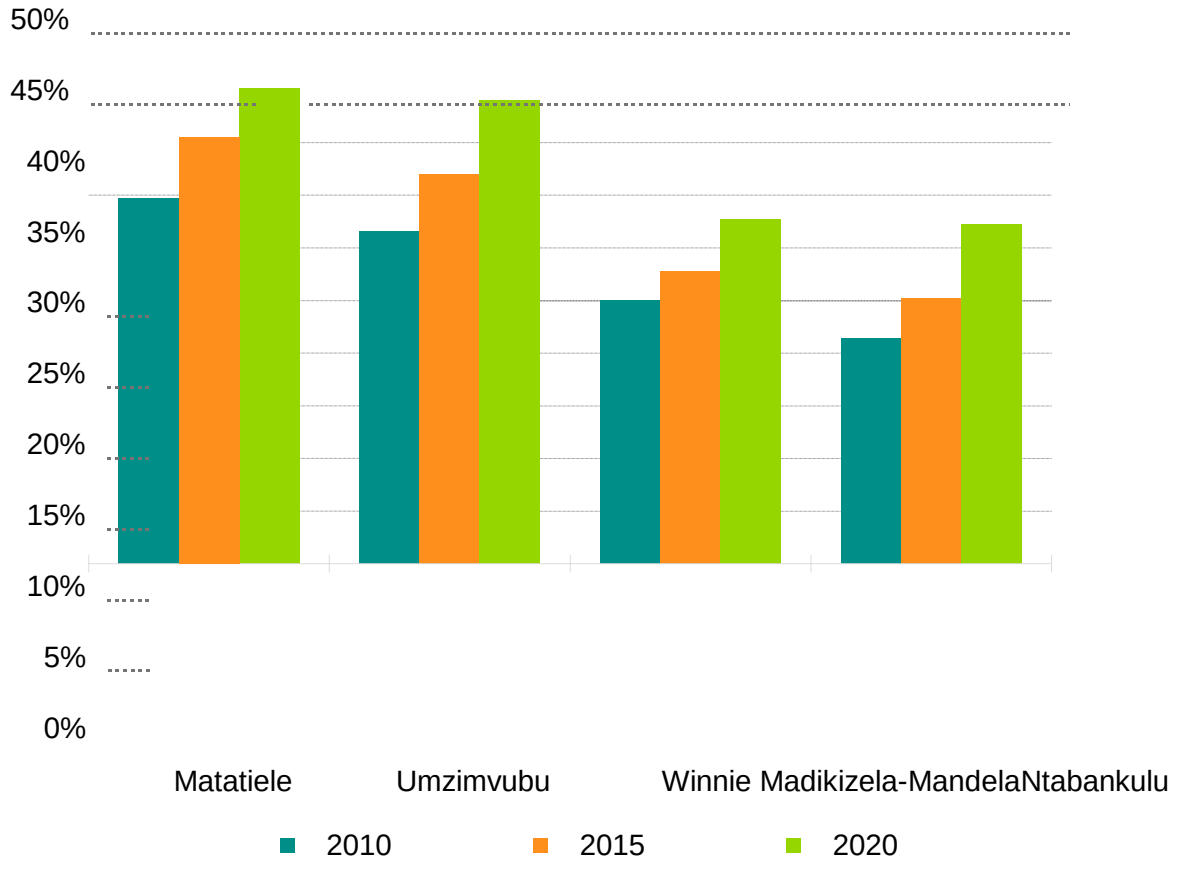


Source: IHS Markit Regional eXplorer version 2201

The labour force participation rate - local municipalities and the rest of Alfred Nzo District Municipality, 2015 and 2020 [percentage]

Labour force participation rate

Alfred Nzo, 2010-2020



Source: IHS Markit Regional eXplorer version 2201

1.3.16. Total employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.Total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

Total employment - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [numbers]

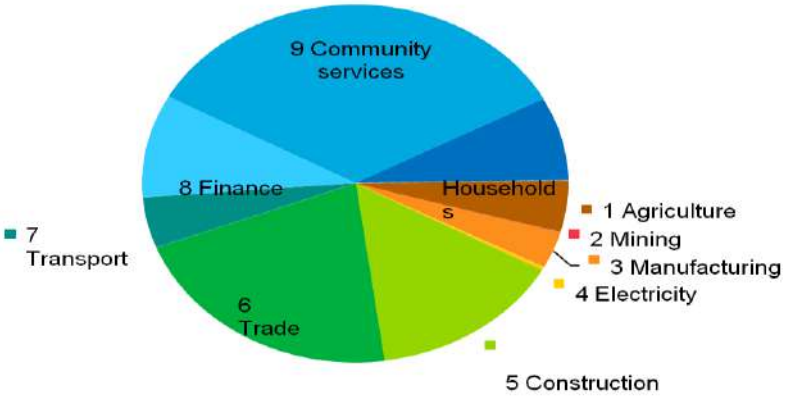
	Alfred Nzo	Eastern Cape	National Total
2010	74,800	1,230,000	13,500,000
2011	74,000	1,230,000	13,700,000
2012	74,100	1,240,000	14,000,000
2013	77,300	1,270,000	14,400,000
2014	83,300	1,340,000	15,000,000
2015	88,400	1,400,000	15,500,000
2016	91,000	1,430,000	15,800,000
2017	92,100	1,440,000	16,000,000
2018	91,200	1,440,000	16,200,000
2019	90,100	1,430,000	16,200,000

2020	81,600	1,340,000	15,400,000
Average Annual growth			
2010-2020	0.87%	0.89%	1.33%

Source: IHS Markit Regional eXplorer version 2201

In Alfred Nzo District Municipality the economic sectors that recorded the largest number of employment in 2020 were the community services sector with a total of 27 800 employed people or 34.1% of total employment in the district municipality. The trade sector with a total of 17 400 (21.3%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 72.3 (0.1%) is the sector that employs the least number of people in Alfred Nzo District Municipality, followed by the electricity sector with 259 (0.3%) people employed.

Total employment per broad economic sector - Alfred Nzo District Municipality, 2020 [percentage]



Source: IHS Markit Regional eXplorer version 2201

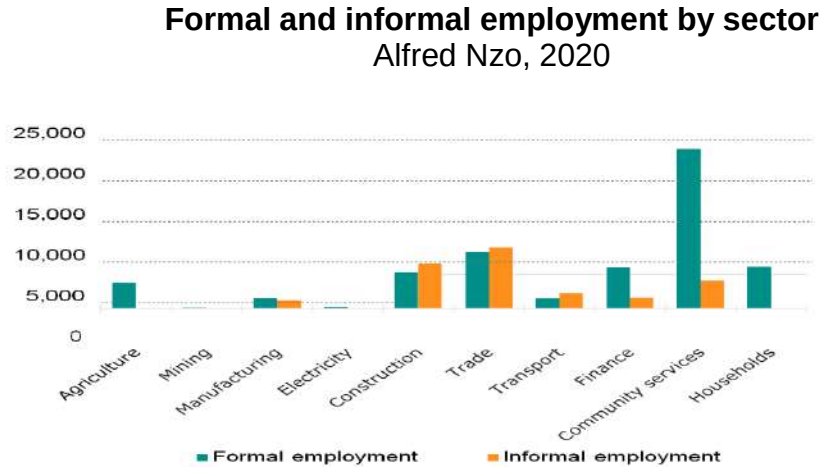
1.3.17. Formal and informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Alfred Nzo District Municipality counted 56 700 in 2020, which is about 69.51% of total employment, while the number of people employed in the informal sector counted 24 900 or 30.49% of the total employment. Informal employment in Alfred Nzo increased from 22 200 in 2010 to an estimated 24 900 in 2020.

Formal and informal employment by broad economic sector - Alfred Nzo District Municipality, 2020 [numbers]



1.3.18. Income and expenditure

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

1.3.19. Number of households by income category

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

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

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

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
0-2400	16	136	1,350	11.4%	1.15%
2400-6000	296	2,720	25,000	10.9%	1.19%
6000-12000	3,090	27,000	229,000	11.5%	1.35%

12000-18000	6,170	53,400	439,000	11.6%	1.41%
18000-30000	22,300	185,000	1,440,000	12.0%	1.55%
30000-42000	25,800	212,000	1,550,000	12.2%	1.66%
42000-54000	23,500	201,000	1,510,000	11.7%	1.56%
54000-72000	26,400	238,000	1,870,000	11.1%	1.41%
72000-96000	20,700	196,000	1,640,000	10.5%	1.26%
96000-132000	16,700	179,000	1,620,000	9.4%	1.04%
132000-192000	12,600	151,000	1,450,000	8.4%	0.87%
192000-360000	11,500	168,000	1,830,000	6.8%	0.62%
360000-600000	5,430	103,000	1,270,000	5.3%	0.43%
600000-1200000	2,720	75,400	1,040,000	3.6%	0.26%
1200000-2400000	902	33,500	466,000	2.7%	0.19%
2400000+	85	5,770	82,900	1.5%	0.10%
Total	178,000	1,830,000	16,500,000	9.7%	1.08%

Source: IHS Markit Regional eXplorer version 2201

It was estimated that in 2020 17.88% of all the households in the Alfred Nzo District Municipality, were living on R30, 000 or less per annum. In comparison with 2010's 39.40%, the number is about half. The 54000-72000 income category has the highest number of households with a total number of 26 400, followed by the 30000-42000 income category with 25 800 households. Only 16 households fall within the 0-2400 income category.

1.3.20. Index of buying power

The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

Index of buying power - Alfred Nzo, Eastern Cape and National Total, 2020 [Number]

	Alfred Nzo	Eastern Cape	National Total
Population	892,440	7,333,763	59,646,053
Population - share of national total	1.5%	12.3%	100.0%
Income	19,924	338,731	3,970,503
Income - share of national total	0.5%	8.5%	100.0%
Retail	5,854,283	88,189,936	1,063,415,000
Retail - share of national total	0.6%	8.3%	100.0%
Index	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 2201

1.3.21. Tress Index

The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of zero means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region. In 2020, Alfred Nzo's Tress Index was estimated at 70.9, which are higher than the 59.2 of the province and higher than the 59.2 of the South Africa as a whole. This implies that - on average - Alfred Nzo District Municipality is less diversified in terms of its economic activity spread than the national's economy.

The Alfred Nzo District Municipality has a concentrated trade sector. The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

1.3.22. Location Quotient

A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.
If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

For 2020, Alfred Nzo District Municipality has a very large comparative advantage in the trade sector. The community services sector also has a very large comparative advantage. The Alfred Nzo District Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector, which has a very large comparative disadvantage. In general, mining is a very concentrated economic sector. Unfortunately, the Alfred Nzo District Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0268.

1.3.23. Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Economically active population (EAP) - Alfred Nzo, Eastern Cape and **National Total, 2010-2020 [number, percentage]**

Year	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	126,000	1,720,000	18,000,000	7.3%	0.70%
2011	124,000	1,730,000	18,300,000	7.2%	0.68%
2012	127,000	1,760,000	18,700,000	7.2%	0.68%
2013	134,000	1,830,000	19,300,000	7.3%	0.70%
2014	144,000	1,920,000	20,100,000	7.5%	0.72%
2015	152,000	2,000,000	20,800,000	7.6%	0.73%
2016	162,000	2,090,000	21,500,000	7.8%	0.75%
2017	173,000	2,180,000	22,000,000	7.9%	0.78%
2018	179,000	2,240,000	22,300,000	8.0%	0.80%
2019	190,000	2,330,000	22,700,000	8.2%	0.84%
2020	189,000	2,330,000	22,100,000	8.1%	0.85%
Average Annual growth					
2010-2020	**4.12%**	**3.08%**	**2.08%**		

Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality's EAP was 189 000 in 2020, which is 21.17% of its total population of 892 000, and roughly 8.12% of the total EAP of the Eastern Cape Province. From 2010 to 2020, the average annual increase in the EAP in the Alfred Nzo District Municipality was 4.12%, which is 1.04 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

EAP as % of total population - Alfred Nzo and the rest of Eastern Cape, 2010, 2015, 2020 [percentage]

	2010	2015	2020
Alfred Nzo	15.5%	18.0%	21.2%
Nelson Mandela Bay	43.0%	43.9%	44.6%
Buffalo City	37.4%	40.5%	43.9%
Sarah Baartman	37.4%	40.3%	42.0%
Amatole	18.1%	21.3%	25.4%
Chris Hani	20.6%	24.0%	27.6%
Joe Gqabi	22.7%	26.6%	29.6%
O.R.Tambo	16.4%	19.0%	22.6%

Source: IHS Markit Regional eXplorer version 2201

In 2010, 15.5% of the total population in Alfred Nzo District Municipality were classified as economically active which increased to 21.2% in 2020. Compared to the other regions in Eastern Cape Province, Nelson Mandela Bay Metropolitan Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Alfred Nzo District Municipality had the lowest EAP with 21.2% people classified as economically active population in 2020.

1.3.24. Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population. The following is the labour participation rate of the Alfred Nzo, Eastern Cape and National Total as a whole.

The labour force participation rate - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [percentage]

Years	Alfred Nzo	Eastern Cape	National Total
2010	28.6%	42.5%	54.1%
2011	27.9%	42.2%	53.9%
2012	28.2%	42.5%	54.3%
2013	29.6%	43.8%	55.2%
2014	31.6%	45.6%	56.6%
2015	33.0%	47.0%	57.7%
2016	34.8%	48.5%	58.8%
2017	36.8%	50.2%	59.5%
2018	37.7%	50.9%	59.4%
2019	39.4%	52.3%	59.4%
2020	38.7%	51.5%	57.0%

Source: IHS Markit Regional eXplorer version 2201

In 2020 the labour force participation rate for Alfred Nzo was at 38.7% which is significantly higher when compared to the 28.6% in 2010. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2010, the unemployment rate for Alfred Nzo was 32.4% and increased overtime to 50.2% in 2020. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Alfred Nzo District Municipality. Matatiele Local Municipality had the highest labour force participation rate with 45.2% in 2020 increasing from 34.7% in 2010. Ntabankulu Local Municipality had the lowest labour force participation rate of 32.3% in 2020, this increased from 21.5% in 2010

When comparing unemployment rates among regions within Alfred Nzo District Municipality, Ntabankulu Local Municipality has indicated the highest unemployment rate of 59.8%, which has increased from 39.4% in 2010. It can be seen that the Matatiele Local Municipality had the lowest unemployment rate of 44.3% in 2020, which increased from 27.8% in 2010.

1.3.24. Development

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country. Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

1.3.25. Human Development Index (Hdi)

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

In 2020 Alfred Nzo District Municipality had an HDI of 0.503 compared to the Eastern Cape with a HDI of 0.602 and 0.661 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2020 when compared to Alfred Nzo District Municipality which translates to worse human development for Alfred Nzo District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.26% and this increase is lower than that of Alfred Nzo District Municipality (1.79%).

In terms of the HDI for each the regions within the Alfred Nzo District Municipality, Umzimvubu Local Municipality has the highest HDI, with an index value of 0.534. The lowest can be observed in the Ntabankulu Local Municipality with an index value of 0.463.

1.3.26. Gini Coefficient

The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1. If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals

1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

In 2020, the Gini coefficient in Alfred Nzo District Municipality was at 0.554, which reflects an increase in the number over the ten-year period from 2010 to 2020. The Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.632 and 0.638 respectively) when compared to Alfred Nzo District Municipality.

Gini coefficient by population group - Alfred Nzo, 2010, 2020 [Number]

Year	African	White	Coloured
2010	0.54	0.47	0.56
2020	0.55	0.46	0.58
Average Annual growth			
2010-2020	0.22%	-0.26%	0.41%

Source: IHS Markit Regional eXplorer version 2201

When segmenting the Alfred Nzo District Municipality into population groups, it can be seen that the Gini coefficient for the Coloured population group increased the most amongst the population groups with an average annual growth rate of 0.41%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -0.26%.

In terms of the percentage of people living in poverty for each of the regions within the Alfred Nzo District Municipality, Winnie Madikizela-Mandela Local Munnicipalityhas the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 89.7%. The lowest percentage of people living in poverty can be observed in the Matatiele Local Municipality with a total of 81.6% living in poverty, using the upper poverty line definition.

Percentage of people living in poverty by population group - Alfred Nzo, 2010-2020 [Percentage]

Year	African	White	Coloured	Asian
2010	81.9%	4.0%	50.1%	18.0%
2011	78.0%	2.8%	47.3%	13.1%
2012	78.6%	3.0%	49.7%	14.1%
2013	79.3%	4.1%	51.7%	14.8%
2014	80.1%	5.6%	53.7%	14.6%
2015	80.3%	7.4%	54.5%	13.8%
2016	82.6%	9.3%	56.7%	18.0%
2017	83.5%	10.0%	57.4%	21.2%
2018	84.2%	10.8%	57.2%	25.2%
2019	85.0%	12.0%	57.5%	29.7%
2020	86.2%	13.8%	59.5%	36.6%

Source: IHS Markit Regional eXplorer version 2201

In 2020, the population group with the highest percentage of people living in poverty was the African

population group with a total of 86.2% people living in poverty, using the upper poverty line definition. The proportion of the African population group, living in poverty, decreased by -4.3 percentage points, as can be seen by the change from 81.91% in 2010 to 86.21% in 2020. In 2020 13.77% of the White population group lived in poverty, as compared to the 3.96% in 2010. The Asian and the Coloured population group saw a decrease in the percentage of people living in poverty, with a decrease of -18.6 and -9.39 percentage points respectively

1.3.27. Poverty Gap Rate

The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. It is estimated that the poverty gap rate in Alfred Nzo District Municipality amounted to 32.1% in 2020 - the rate needed to bring all poor households up to the poverty line and out of poverty.

In 2020, the poverty gap rate was 32.1% and in 2010 the poverty gap rate was 31.6%, it can be seen that the poverty gap rate increased from 2010 to 2020, which means that there were no improvements in terms of the depth of the poverty within Alfred Nzo District Municipality. In terms of the poverty gap rate for each of the regions within the Alfred Nzo District Municipality, Winnie Madikizela-Mandela Local Munnicipalityhad the highest poverty gap rate, with a rand value of 32.1%. The lowest poverty gap rate can be observed in the Matatiele Local Municipality with a total of 32.1%.

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) as amended requires a Municipal Manager to develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval. In line with the above legislative framework and other pertinent employment regulations, the ANDM reviewed its staff establishment for the financial year 2023-2024.

Alfred Nzo District Municipality recognizes Human Resource Plan as a critical sector plan of the Integrated Development Plan (IDP) for attainment of the municipal vision. It is against this conviction that the municipality views it necessary to ensure that Staff Establishment is reviewed on annual basis and adopted concurrently with the IDP and Budget. Moreover, Staff Establishment has cost implications which must be recognised by the budget and alignment thereof remains necessary.

The municipality has been structured in terms of six (6) departments linked to National Key Performance

Areas (NKPAs). These departments are structured in terms of different functions in terms of Schedule 4 and 5 part B of the Constitution (1996). The municipality on an annual basis review the IDP perform budget planning, review IDP sector plans and policies based on the specific functions of the municipality.

The structure had 614 posts for the period and a sum of 587 posts are filled resulting in a vacancy percentage of 4.39% for the period. The municipality administration is comprised of the following departments:

2.3.1. Office of the Municipal Mnaager

Function
• Manage/development/implementation; review of the IDP • Manage/development/review of the vision and long-term strategy • Manage the development; implementation/review of the institutional strategic transformation agenda. • Responsible for all functions that have a legislative mandate in the Office of the Executive Mayor • Projects and provide political support in the Office of the Executive Mayor • The management and coordination of programmes related to the children, disabled, aged, HIV & AIDS, gender, women & other projects • The management and coordination of activities related to the youth • Plans/monitors media relations programs/publicity campaigns and the execution of specific instructions and application of laid down procedures with respect to communication • The provision of intergovernmental (IGR) relations services • Coordinate and controls processes and procedures associated with the formulation of the Municipality's risk based Audit Plan and Program. • The rendering of comprehensive or compliance, financial and operations and performance and fraud-risk review audits. • Responsible for the development of WSDP • Responsible for conservation and demand management • Responsible for feasibility studies development of all water service policies & development of all environmental plans. • Enforcement of by-laws • Development of indigent register

2.3.2. Corporate Services

Function
• The provision of general administration services and records/document management • The provision of administration support • Cleaning and security services; facilities management • The installation and configuration computer software • The provision of end-user support services • The provision of advice on system and hardware requirements • The management and maintenance of IT networks • The management of municipal data integrity and data analysis services • The development and maintenance of the municipal website • Provision of the Human Resources Transactional and practices services • Payroll administration and labour relations services • Ensure compliance with legislation/relevant collective agreements/policies/procedures

- Employee wellness/Performance Management /job evaluation
- Human Resources Development

2.3.3. IDMS

Function
• Directs/controls outcomes associated with the PM Unit. • Controls the financial/administrative /information system requirements necessary for the coordination and control MIG funded projects and programmes • Responsible for operations & maintenance of water services infrastructure. • Water & waste Water treatment. • Development of O and M Plans • Implementation of the WCDM strategy • Water quality management • Manage Water Conservation and Demand management in the district

2.3.4. Community Services

Function
• Municipal Health Services • The identification, support and coordination of municipal health activities within the municipality • Awareness campaigns/assessments/mitigating risk associated with Municipal healt • By-law enforcement • Identification; support and coordination of Thusong centres • Management and monitoring of the centre activities • The identification, support and coordination of sporting activities within the municipality • To ensure maximum stakeholder participation and the development initiatives of the district • To build sound relations between the DM and its stakeh0olders to ensure effective and efficient service delivery. • Ensure the provision of fire and rescue services • Ensure that fire challenges are identified and reported for interventions

2.3.5. Planning and Economic Development

Function
• The implementation, monitoring and evaluation of the municipal led strategy and projects • Facilitate the implementation of the municipal poverty grain production projects • The promotion and support of SMME's • The provision of tourism development services • The provision of hawkers administration services • Identifies/defines the immediate; short and long term objectives/plans and controls associated with economic development. • Facilitating the coordination /integration/implementation of economic regeneration programs in the targeted rural villages small towns//townships • Business Plans Development • Keeping abreast with developments and legislative imperatives supporting economic development and community improvement. • Controls the planning/operational efficiency of specific approaches associated with the delivery of core services associated with the functionality and spatial planning and land use management • Performs specific applications associated with the preparation/updating/processing of data

from hardcopy and digital sources for the ANDM geographical area

2.3.6. Budget and Treasury Office

Function
• Coordinates/implements sequences associated with the verification and provision of information related to the creditors accounts. • Prepares financial documents and reports on the creditors accounts • Preparation of AFS • Preparing & presenting reports detailing the status of expenditure and availability of funds and reporting on deviations. • Manages the compilation of budget; prepares capital & operating estimates; midyear reviews; reallocations; additional releases; financial management/controls expenditure against the approved budget allocations. • Control and account for the expenditure of the Municipality • Maximize the collection of VAT • Payroll administration • Timeous payments of all service providers within 30 days of invoicing • Facilitate the compilation/coordination of the annual budget. • Compile monthly reports and annual financial statements. • Execute budget management duties/ cash management/ supply chain management
• Promoting/developing/monitoring//directing/controlling all aspects of SCM in the Municipality to ensure compliance with the SCM Policy and Administrative Framework. • Prepares capital/operating estimates and controls contract expenditure against budget allocations • Manage/monitor/control fleet and asset management in the municipality • Manage/control revenue management. • Manage/monitor/control fleet and asset management in the municipality. • Manage/control revenue management • Promoting/developing/monitoring//directing/controlling all aspects of SCM in the Municipality to ensure compliance with the SCM Policy and Administrative Framework.

Statutoty Annual Report Process

The ANDM Council streamlined its Annual Report process in accordance with the MFMA Circular 63. This is to ensure that the Annual Report as contemplated in terms of Section 127 of the MFMA is produced as soon as possible after year-end, namely, August in order to enhance oversight functions of Council. This

further provides the ANDM Council opportunity to take corrective decisions earlier where it is required to improve service delivery and accountability. The following table reflects the statutory annual report processes followed by the ANDM:

Item	Date due
Submission of the APR to the Office of the Municipal Manager through the Automated Performance Management System.	31st July 2023
Review and Consultation with Departments on reported Performance	01st – 04th August 2023
Submission to Internal Audit	07th August 2023
Presentation to Management	14 August 2023
Draft Internal Audit Report on the APR	14 August 2023
Presentation of the APR to the Standing Committee	15 August 2023
Presentation of the APR and Annual Report (draft) to the Mayoral Committee	22 August 2023
Submission to Council and AG the APR and Annual Report (draft)	31 August 2024
Submission to Treasury	01 September 2023
Attend to AG RFIs and COAFs	Up to 30 November 2024
Compilation of the AR with Signed AFS and AG Report	17 January 2024
Presentation of AR to Council	31 January 2024
MPAC consideration of the AR and development of the Oversight Report to Council	31 March 2024

CHAPTER 2: GOVERNANCE

Alfred Nzo District Municipality is a District authority, a Category municipality that means all the legislative and executive powers of the municipality are vested to the Council. The provisions of thelatter are as per section 12 of the Notice of the Municipal Structures Act 117 of 1998. The Annual Report covers the period 01 July 2023 to 30 June 2024.

As with the other public sector institutions, ANDM's political governance structure; and as the highest decision making body of the institution; the council is supported by an administration. There is an interface between the legislative and administration as the administration is charged with a responsibility to generate reports and recommendations for informed decision-making.

The Alfred Nzo District Municipal Council (ANDM) derives its mandate to govern from Section 151(3) of the Constitution of Republic of South Africa, (Act 108 of 1996) which says, the Municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.

The overall strategic mandate of ANDM Council as derived from section 152 of the Constitution of the Republic, Act 108 of 1996, which gives the object of local government to be:

I. To provide democratic and accountable government for local communities.

II. To ensure the provision of services to communities in a sustainable manner.

III. To promote social and economic development.

IV. To promote a safe and healthy environment.

To encourage the involvement of communities and community organizations in matters of local government.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Alfred Nzo District Municipality is a District authority, a Category municipality that means all the legislative and executive powers of the municipality are vested to the Council. The provisions of the latter are as per section 12 of the Notice of the Municipal Structures Act 117 of 1998. The Annual Report covers the period 01 July 2023 to 30 June 2024.

As with the other public sector institutions, ANDM's political governance structure; and as the highest decision making body of the institution; the council is supported by an administration. Thereis an interface between the legislative and administration as the administration is charged with a responsibility to generate reports and recommendations for informed decision-making.

The Alfred Nzo District Municipal Council (ANDM) derives its mandate to govern from Section 151(3) of the Constitution of Republic of South Africa, (Act 108 of 1996) which says, the Municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution. The overall strategic mandate of ANDM Council as derived from section 152 of the Constitution of the Republic, Act 108 of 1996, which gives the object of local government to be:

a. To provide democratic and accountable government for local communities.

b. To ensure the provision of services to communities in a sustainable manner.

c. To promote social and economic development.

d. To promote a safe and healthy environment.

e. To encourage the involvement of communities and community organizations in matters of local government.

2.1. POLITICAL GOVERNANCE

The executive and legislative authority of Alfred Nzo District Municipality (ANDM) is vested in its Municipal Council chaired by the Speaker. The responsibilities of the speaker amongst others are:

I. To presides at the meetings of the Council.

II. To ensure that Council meets as per the approved year planner and maintain order during meetings.

III. To ensure that Councillors comply with the Code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act 32 of 2000, and;

IV. To ensure that Council meetings and those of committees are conducted in accordance with the ANDM Standing Rules and Orders and the annually approved year planner.

Local Government: Municipal Structure Act of 1998, Section 18(2) states that a Municipal Council must meet at least quarterly. However, the Alfred Nzo Municipal Council resolved to hold 12(Twelve) Council meetings in the terms 2023/2024-year planner to consider reports from the Mayoral Committee. The Council in terms of the section 55 of the Local Government Municipal Structures Act appointed the Executive Mayor of ANDM. The Executive Mayor is the political head of the Municipality. The Executive Mayor must:

I. identify the need of the Municipality;
II. review and evaluate those needs in order of priority;
III. identify the needs of the Municipality;
IV. review and evaluate those needs in order of priority;
V. recommend to the Municipal Council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and,
VI. Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

The Executive Mayor in performing the duties of her office, must-

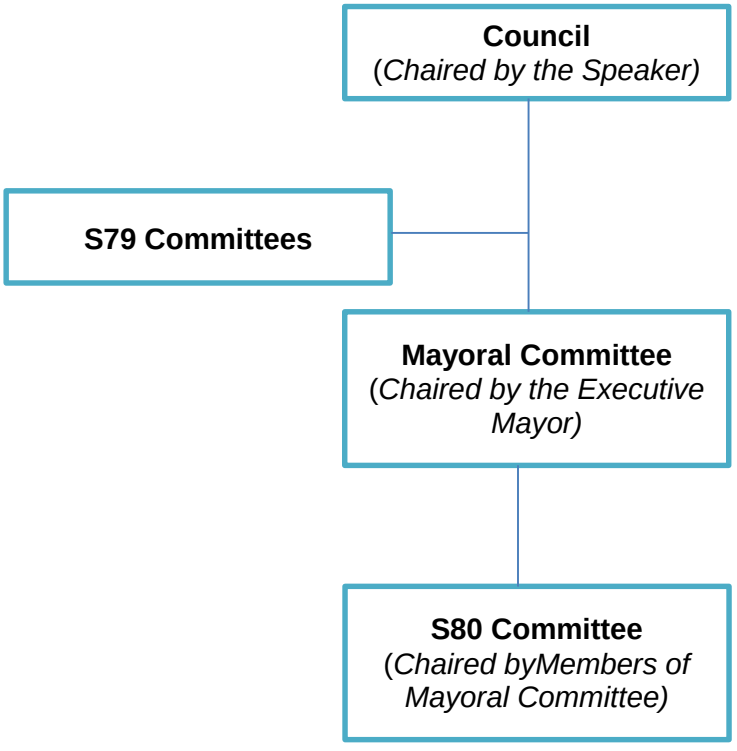
1. identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in subsection (2) (c) can be evaluated, including key

performance indicators which are specific to the Municipality and common to local government in general;

2. evaluate progress against the key performance indicators;
3. review the performance of the Municipality in order to improve-
   (i) the economy, efficiency and effectiveness of the Municipality;
   (ii) the efficiency of credit control and revenue and debt collection services; and
   (iii) the implementation of the Municipality's by-laws;
4. monitor the management of the Municipality's administration in accordance with the directions of the Municipal Council;
5. oversee the provision of services to communities in the Municipality in a sustainable manner;
6. perform such duties and exercise such powers as the Council may delegate to the Executive Mayor in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); [Para. (f) amended by s. 16 (a) of Act 51 of 2002.]
7. annually report on the involvement of communities and community organisations in the affairs of the Municipality; and

Ensure that regard is given to public views and report on the effect of consultation on the decisions of the Council.

2.2. Decision making Structure



The Alfred Nzo District Municipality is made up 42 Councillors inclusive proportionally representatives fromfour local municipalities (Matatiele, Winnie Madikizela-Mandela, Ntabankulu and Umzimvubu). The Council has three (3) Traditional Leaders from their Traditional Councils in accordance with Section 81 of the Local Government: Municipal Structures Act were gazetted by the MEC to serve in Alfred Nzo during the Periodunder review. Refer to **Appendix A** contains a full list of Councilors and their attendance in Council.

2.2.1. Mayoral Committee

Council Annual Calendar of meetings for 2023/24

Council approved annual calendar meetings for Council Meetings and its structures in terms s79 and 80 committees. Mayoral Committee received and considered quarterly, Mid-Term, Annual performance report and Annual Reports for the period of reporting for both ANDM and Entity. Sitting of Mayoral Committing is presented in **Table 2.1.2 (a)**. Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	1	2	2	2	2	3	2	2	1	1	2	1

2.2.2. Council

Council Annual Calendar of meetings for 2023/24

Council approved annual calendar meetings for Council Meetings and its structures in terms s79 and 80 committees. Mayoral Committee received and considered quarterly, Mid-Term, Annual performance report and Annual Reports for the period of reporting for both ANDM and Entity. Sitting of Council Meetings is presented in table **2.1.3. (a) Below:**

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	01	01	01	01	01	03	02	01	01	01	01	01

2.2.3. Municipal Public Accounts Committee (MPAC)

Council Annual Calendar of meetings for 2023/24

Council approved annual calendar meetings for Council Meetings and its structures in terms s79 and 80 committees. MPAC received and considered quarterly, Mid-Term, Annual Performance

Report and Annual Reports for the period of reporting for both ANDM and Entity and deferred them to PMAC for oversight purposes. MPAC reports related to Oversight report and processing of Unauthorised, Irregular, Fruitless and Wasteful Expenditure sitting of MPAC Meetings is presented in.

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	00	00	01	00	01	00	00	02	00	00	00	01

2.3. GOVERNANCE STRUCTURES (ASSURANCE, OVERSIGHT AND CONSEQUENCE MANAGEMENT COMMITTEES

2.3.1. Management Committee Dashboard for 2023/24 Financial Year

Management Committee adopted annual calendar of meetings which convenes every Monday @ 10 am. These sessions are meant to assess departmental performance on milestones set for monthly reporting building towards quarterly reports. Moreover, intervention mechanisms are speedily developed where potential non-performance is detected. The dashboard of meetings is presented in **Table 18.1.1**. Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Management Committee Meetings	5	5	5	5	5	2	5	5	5	5	5	4

2.3.2. Annual IA Plan and APC Charter for 2023/24 Financial year

Audit and Performance Committee (APC) adopted Internal Audit Plan and APC Charter for the period 2023/24.

APC Meetings

Audit and Performance Committee (APC) observed calendar of meetings as adopted by Council. APC received and considered quarterly, Mid-Term. Draft Annual and Final Annual Report for 2023/24 financial period and Annual performance reports for the period of reporting. Sitting of Mayoral Committing is presented in **Table 18.2.2**. Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	1	2	0	1	0	0	1	1	0	1	2	0

Mayoral Committee

2.3.3. Council Annual Calendar of meetings for 2023/24

Council approved annual calendar meetings for Council Meetings and its structures in terms s79 and 80 committees. Mayoral Committee received and considered quarterly, Mid-Term. Draft Annual and Final

Annual Report for 2023/24 financial period and Annual performance reports for the period of reporting. Sitting of Mayoral Committing is presented in **Table 18.2.3**. Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	1	2	2	2	2	3	2	2	1	1	2	1

Council

2.3.4. Council Annual Calendar of meetings for 2023/24

Council approved annual calendar meetings for Council Meetings and its structures in terms s79 and 80 committees. Council received, considered and approved quarterly, Mid-Term, Draft Annual and Final Annual Report for 2023/24 financial period and Annual performance reports for the period of reporting. Council meetings is presented in **Table 18.2.4**. Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	01	01	01	01	01	03	02	01	01	01	01	01

Municipal Public Accounts Committee (MPAC)

2.3.5. MPAC meetings for 2023/24

MPAC received and considered quarterly, Mid-Term, Draft Annual and Final Annual Report for 2023/24 financial period and Annual performance reports as deferred by Council for the period of reporting. Sitting of MAPC Meetings is presented in **Table 18.2.5.** Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	00	00	01	00	01	00	00	02	00	00	00	01

2.3.6. Financial Misconduct Disciplinary Board (FMCDB)

Council appointed Financial Misconduct Disciplinary Board as required by MFMA Circular No. 76 that is established in accordance with Regulation 4 (1). The Financial Misconduct Board is required to perform duties in terms of the above Regulations which entails advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality on matters that are prescribed in terms of regulation 4(1). There was one (1) matter tabled to the Board which related to the irregular expenditure incurred during IDP Community Outreach programme. The Financial Misconduct Disciplinary Board was to investigate the report on irregular expenditure incurred by the ANDM during the 2023/24 financial to the amount of R946 394.00 incurred during that financial year. Sitting of **FMCDB** Meetings is presented in **Table 18.2.6**. Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	00	00	00	01	00	00	00	00	00	00	00	00

2.3.6 Risk Management Committee

In fulfilling the requirement of section 62 (1) (c) of the MFMA which instructs the Accounting Officer to ensure that the municipality maintains effective, efficient and transparent system of financial and risk management and internal control, the Council has established the Risk Management Committee to assist the Accounting Officer fulfil his management and control responsibilities in accordance with prescribed legislation and corporate governance responsibilities.

The National Treasury has issued a number of guidelines aimed at assisting institutions to embed risk management into the culture and language of the affected institutions. One of those tools is requirement to establish a Risk Management Committee with defined and approved terms of reference intended to guide the committee when performing its functions, to engender proper corporate governance in terms of the King 1V report, the Municipal Finance Management Act and to clarify the roles and the responsibilities of the committee and the management of Alfred Nzo District Municipality. Sitting of RMC Meetings is presented in **Table Table 18.2.7.** Below:

Months	July 23	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	March 24	April 24	May 24	June 24
No. of Meetings	00	00	00	01	00	00	01	00	00	01	00	01

ANDM Risk Management Committee operates under the guidance of Charter/TORs approved by Council. The committee is structured as follows:

- **Members** : Independent Chairperson, Municipal Manager, and Directors
- **Standing invitees**: Chief Risk Officer, Chief Audit Executive, ICT Manager, Legal Manager, IDP & PMS Manager, and any other person who may be co-opted to provide specialist skills, advice and counsel.

The Committee has met four times during 2023/24 financial year to execute its functions as outlined in the charter which amongst other things include the following:

a. Reviewed the risk management policy and strategy and recommend for approval by the Council;
b. Reviewed the risk appetite and tolerance and recommend for approval by the Accounting Officer;
c. Reviewed the municipality's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
d. Evaluated the effectiveness of mitigating strategies to address the material risks of the institution;
e. Reported to the Accounting Officer any material changes to the risk profile of the institution;
f. Evaluated the effectiveness of the implementation of the fraud prevention policy;
g. Reviewed any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;
h. Oversee the performance of the risk management function;
i. Provided proper and timely reports to the Accounting Officer on the state of risk management, together with aspects requiring improvement accompanied by the Committees recommendations to address such issues.

2.4. ADMINISTRATIVE GOVERNANCE STRUCTURE

The Accounting Officer or the Municipal Manager is the Administrative head of the institution. As head of administration, the Municipal Manager is, subject to the policy directions of Municipal Council, responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration. The administration is equipped to carry out the task of implementing the Municipality's integrated development plan and the monitoring of progress with implementation of the plan. Further, the Municipal Manager is responsible for the appointment of staff other than those referred to in section 56 (a) of the Local government: Municipal Systems Act 32 of 2000, subject to the Employment Equity Act, 55 of 1998.

As the administrative head of the Municipality, the Municipal Manager is responsible for advising the political structures and political office bearers of the Municipality and, to manage communications between administration, political structures and political office bearers. The Municipal Manager is responsible and accountable for all income and expenditure of the Municipality, all assets and discharge of all liabilities of the Municipality; proper and diligent compliance with the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003), according to Section 55 (2) (a-c) of the Local Government: Municipal Systems Act, (Act No. 32 of 2000).

2.4.1. The Professionalisation of Local Government

The Municipality has embraced the initiatives of Public Service Administration to professionalize a Public Sector.

The professionalization of the Public Service is about according full recognition of the various professional categories within the Public Service, and subjecting them to registration with externally regulated professional bodies and associations. It also refers to the creation of additional professional categories of workers who are linked to some form of training, which leads to the external regulation of such categories of workers according to a particular standard, code of conduct and ethical framework. Corporate Services has developed implementation plan in to ensure that the framework is fully implemented.

2.4.2. National Framework towards Professionalization of the Public Sector

The **National Professionalization Framework** was introduced to ensure that only qualified and competent individuals are appointed into positions of authority, in pursuit of a ***transformed***, ***professiona***l, ***ethica***l, ***capable*** and developmental public sector. Public officials should have the right qualifications and technical skills, and be inducted into Batho Pele principles. They must live the

values of chapter 10 of the Constitution.

The National Framework towards Professionalization of the Public Sector aims to achieve the following:

I. The tightening of pre-entry requirements as well as effective recruitment and selection processes that inform *meritocratic* appointments across all levels.
II. Undertaking workplace orientation and induction programmes that are linked to on-boarding and mainstreamed as an intervention for organizational development.
III. Effective HR planning, performance management and appraisal systems, including performance standards and assessment instruments for different categories of employees. Performance management can also be aligned with professional body/association registration.
IV. Public servants returning to the simulator by undertaking continuous learning and professional development. This will include public sector officials being encouraged register with Professional Councils, starting with specific categories of occupations in the public sector which I will mention later.
V. Managing the career progression and career incidents of public servants and heads of department respectively.

2.4.4. Proposed Value Chain for Professionalising the Public Service

a. Professionalism and professional ethics within the Public Service cannot be promoted and institutionalised solely through a generic Code of Conduct because each profession or non-professionalised emerging occupation has its own peculiarities and each public sector institution has its unique ethical dilemmas.

Professionalization Value Chain

Table 10 below provides an outline of the status of Administrative Governance of the Municipality.

Table 10: Administrative Governance

Indicators	Targets	Achievements
Filling of critical posts	To fill all Section 56 positions	Municipal Manager position is filled, but was later suspended and Acting MM was

		appointed by council. Five Section 56 manager posts filled i.e.: Chief Financial Officer Director: Corporate Services is vacant: there is an acting Director occupying the position Director: Community Development Services Director: Planning and EconomicDevelopment Director: Infrastructure Development andMunicipal Services, and Director: Strategic Governance

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Section 41 of the Constitution of the Republic of South Africa, 1996 provides the principles of co-operative government and intergovernmental relations for all spheres of government and all organs of state within each sphere. These principles of co-operative government are further given effect by the Intergovernmental Relations Framework Act (No.13 of 2005) which provides a framework for the three spheres and all organs of state within those governments to facilitate co-ordination in the implementation of policy and legislation. The Act also provides for different intergovernmental structures and guides in terms of their establishment, their composition, their roles and meetings. The Alfred Nzo District Municipality as in compliance to the aforementioned pieces of legislation participates in various intergovernmental forums established by the different government spheres and organs of state. In compliance with Section 24 of the Intergovernmental Framework Act, the ANDM furthermore established different District intergovernmental forums to promote co-operative governance and facilitate intergovernmental relations between the ANDM and its four (4) Local Municipalities. These District Intergovernmental Forums assist the ANDM to realise the Constitutional mandate of District Municipalities, which include among others the following:

1) Redistribute resources within a District according to need;

2) Assist and capacitate Local Municipalities to enable them to provide and sustain the provision of services in their areas; and

3) Promote economic development in the District.

Alfred Nzo District Municipality has adopted a District development model One-plan, that maps out a developmental vision for the district. This vision is set to be attained by 2050 as guided by the Framework Governing the establishment and implementation of DDM and its structures.

The One-plan Document harbours an annexure that details Catalytic projects by which the 2050 vision is envisaged to be attained.

The District Intergovernmental Forums have yielded positive spin offs to both the ANDM and its Local Municipalities. The table below depicts the intergovernmental relations forums in which the ANDM participate.

2.4.5. National IGR Fora

The municipality participated in some of the National Intergovernmental Structures during the year under review such as National Municipal Managers Forum. National Intergovernmental Structures.

Forum	Composition	Role	Status
Presidential Coordinating Forum	The President, the Deputy President, key Ministers, Premiers and the South African Local Government Association (SALGA)	The PCC meets regularly to oversee the implementation of national policies and legislation, and to ensure that national, provincial and local development strategies are aligned to each other.	Active
MINIMEC	At national level, each department has an Inter-governmental Forum where Ministers meet with MECs and SALGA. These forums are called MuniMECs and are also attended by heads of departments, as technical advisors.	The purpose of MinMECs is to consult, coordinate implementation and align programmes at national and provincial level.	Active

SALGA's National Members Assembly	All municipalities are entitled to be represented by up to four (4) delegates comprised of two (2) Councillors and two (2) officials, preferably the Mayor, Speaker, Municipal Manager and Chief Financial Officer.	The SALGA National Members Assembly (NMA) is the highest SALGA decision-making structure in between National Conferences and will, among others discuss and debate, the plan of action for the sector, and most importantly, adopt positions on local governance systems, policies and legislative matters that have a direct impact on the current state and the future of local government.	Active

2.4.2. Provincial IGR Fora

During the year under review, the municipality has participated in the following Provincial Intergovernmental Forums:

Forum	Composition	Role	Status
Premier's Coordinating Foramina-MEC	A Premier's Inter-governmental Forum (PIF) consists of the Premier, the local government MEC, other MECs, Metro and District Mayors and other Mayors where necessary. The PIF reports through the Premier to the PCC. PIF meetings are usually preceded by PAF (Provincial Advisory Forum) meetings where provincial heads of departments meet with all municipal managers.	The Premier in each province is responsible for coordinating relationships between national, provincial and local government in the province. The PIF meets regularly and consults on broad development in the province, as well as on the implementation of national and provincial policy and legislation. It also seeks to coordinate the alignment of provincial and municipal development planning and strategic planning.	Active
SALGA's Provincial Members Assembly	All municipalities are entitled to be represented by up to four (4) delegates comprised of two (2)	The SALGA Provincial Members Assembly is the Provincial SALGA decision-making structure in between Provincial Conferences and will, among others discuss and debate, the plan of action for the sector, and most importantly, adopt positions	Active

	Councillors and two (2) officials, preferably the Mayor, Speaker, Municipal Manager and Chief Financial Officer.	on local governance systems, policies and legislative matters that have a direct impact on the current state and the future of local government.	
SALGA Working Groups	Councilors and officials	The main purpose of working groups is to encourage, ensure and promote local government matters which, include: • Cooperative governance; • Consultation and coordination; and • Participative decision-making.	Active
Provincial AIDS Council (PCA)	PCA is chaired by the Provincial Premier, Joined by all District Mayors, local Mayors, government departments, and stakeholders.	All provinces have set up Provincial AIDS Councils to coordinate the fight against AIDS. The Provincial AIDS Councils are meant to coordinate the work of different government departments as well as the work of civil society organisations.	Active

2.4.3. District IGR Fora

During the year under review the municipality has participated in the District IGR structures such as District Mayors Forum, Speakers Forum, Municipal Managers Forum, and IDP Rep Forum. In addition, the district had established and strengthened the functionality of sub forums such as:

Forum	Composition	Role	Status
District Mayor's Forum	All Executive Mayors of the 4 Local Municipalities in the District, and the Executive Mayor of the ANDM serves as the Chairperson of the forum	Deals with all developmental issues in the District relating to IDPs, Budget, Policy development and accountability	Active

District Speaker's Forum	The Forum comprises all Speakers of Councils of Municipalities with the ANDM	The forum is meant to coordinate all public participation activities and creating mass-based awareness on the government social cluster services	Active
District Development Model Steering Committee (DDM)	The District Development Model (DDM) Steering Committee typically includes: District Municipality Mayor (Chair); Provincial Government Representatives; National Government Department Representatives; Municipal Manager and Senior Officials Traditional Leaders (where applicable) Private Sector and Civil Society Representatives	The District Development Model (DDM) aims to enhance service delivery through integrated, coordinated planning and implementation across all government levels. It promotes collaboration among national, provincial, and local governments, the private sector, and civil society to address local needs, reduce resource duplication, and improve community outcomes.	Active
Municipal Manager's Forum	All Municipal Managers from the Local Municipality and the Municipal Manager of the ANDM serves as the Chairperson	Provides technical support to the Mayors' Forum	Active

CFO's Forum	District CFO and all CFOs of local Municipalities, Treasury and Cogta Finance officials	CFO Forums are designed to keep CFOs informed on relevant, timely issues, providing a platform for collaboration and connection. Therefore, the majority of CFO Forum agendas are set by the participants, customizing the event for participants' needs.	Active
District Wide Infrastructure Forum	Municipal Managers, CFOs, Infrastructure Directors of all local municipalities, sector departments, namely EC CoGTA, Departments of Water and Sanitation, Human Settlements, Public Works, DEDEAT and Eskom	The District Technical Infrastructure Forum is a forum established as a sub structure accountable to the Technical Support Forum. To provide technical and expert support advice to the Technical Support Forum (TSF) on infrastructure matters.	Active

Integrated Development Plan Forum	The IDP Forum aims to provide a platform for interaction between the Municipality, government departments, and stakeholders, including Ward Committee members, businesses and NGOs, to engage with the Integrated Development Plan (IDP).	Provide an opportunity for stakeholders to represent the interests of their constituencies. Provide a structure for discussion, negotiations and joint decision making. Ensure proper communication between all stakeholders and the municipality.	Active
District Communicators Forum	GCIS officials, District and local Communications officials,	Districts are encouraged to establish a District Communicators Forum, which will pay a leading role in the realignment and integration of a coherent communication strategy.	Active

District Environmental Management forum	ADNM Officials from: DEDEAT; Four Local Municipalities; DFFE; CPTA; CSA; NGO's	Advise Government on action to be taken to protect the natural environment and mitigate the effects of Climate Change	Active

2.5. Relationships with Municipal Entities

In 2008 Alfred Nzo District Municipality established its development agency, Alfred Nzo Development Agency (ANDA), to focus on promoting and implementation of local economic development initiatives, investment mobilization, and trade promotion and marketing in so far as it relates to local economic development. ANDA is a municipal entity established in terms of the Municipal Systems Act and is accountable to the Municipality.

Over the years, the District Municipality has established relations and partnerships with the following organisations:

a. Ekurhuleni Metro Municipality

b. City of Lusaka in Zambia

c. Joe Gqabi District Municipality

d. Ugu District Municipality

e. Harry Gwala District Municipality

f. O. R. Tambo District Municipality

g. Swedish Government (Ohstresund Municipality)

h. German Government (Hemmon Pemont District Municipality)

i. NYDA

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 152 of the Constitution of Republic of South Africa, 1996 among others enlists the object of local government to include provision of democratic and accountable government for local communities and to encourage the involvement of communities and community organisations in the matters of local government. Similarly, Chapter 4 of the Local Government: Municipal Systems Act, (Act 32 of 2000) which is dedicated to Community Participation provides how a Municipality can develop a culture of community participation, mechanisms, processes and procedures for community participation, communication to local community, documents to be made public, and Municipal website. Accountability is a key requirement of good governance. In line with these legislative directives the ANDM has adopted a Public Participation Policy and Communication Policy which outline strategies, mechanisms and procedures for community participation and communication. This is to ensure that the ANDM is transparent in executing its activities and accountable to the public. Public participation strategies of the Municipality include:

a. Opening Council meetings and that of its committees to public
b. Mayoral outreach meetings
c. Making Municipal documents public
d. Municipal website

2.6.1. Public Meetings

Nature of meeting	Purpose of the meeting
Mayoral Outreaches	Project hand overs School outreach programs : Back to school Stakeholder engagements
Mayor's Community and Segmented Stakeholder Engagement Programme:	Rollout of Mayor's Monitoring Visit to projects across the District Rollout of Mayor's Launch and Handover of projects to communities Up-scaling of mayoral outreaches to various communities across the municipality Segmented stakeholder Imbizos or engagements throughout the district focusing on Traditional Leaders, NGO's, FBO's, Business Fraternity, special groupings – Youth, elderly, men and women forums
Fast-tracking of Provision of Basic Services to Communities	District Wide Plan on fast-tracking of water and sanitation projects Funding mechanisms for water and sanitation projects Turnaround plan on sanitation challenges or sewerage related issues in the town of Winnie Madikizela-Mandela and Matatiele Fast-tracking of feasibility studies and eventual implementation of projects in various communities
Building a People Centered Municipality:	Improvement of Customer Care systems within the municipality and turnaround time on concerns that are raised by citizens Engagement session with ratepayers across all local municipalities Formation of District Ratepayers Structure and other related formations

The institution has put various mechanisms aimed at advancing public accountability and participation and it has conducted a series of community and stakeholder engagements. In the Spirit of Cooperative and Accountable Governance, the ANDM has institutionalised a Community Outreach Programme that aims at improving communication, interaction and accountability between the District, the Local Municipalities and the Community at large on issues of service delivery and development. Outreaches have been conducted to table projects that have been approved and budgeted for by the District and assimilate developmental issues for the subsequent Financial Year.The information below depicts the public participation meetings that were held in the year under review:

2.6.2. IDP Participation and Alignment

The District has institutionalised its community and stakeholder participation and consultation mechanisms. For the 2023/2024 the IDP/PMS forum were fully functional, and 4 (Four) of meetings were held.

IDP Participation and Alignment Criteria	Yes/No
Does the Municipality have impact, outcome, input, output indicators?	yes
Does the IDP have priorities, objectives, KPIs, development strategies?	yes
Does the IDP have multi-year targets?	yes
Are the above aligned and can they calculate into a score?	yes
Does the budget align directly to the KPIs in the strategic plan?	yes
Do the IDP KPIs align to the section 57 Managers	yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	yes
Were the indicators communicated to the public?	yes
Were the four quarter aligned reports submitted within stipulated time frames?	yes

Primary Messengers	Secondary Messengers
Exective Mayor	Council Speaker
Municipal Manager	Mayoral Committee Members
Head of Communications	Councilors
	Municipal and Government Officials
	Ward Committee Members
	Traditional Leaders
	Community Development Workers
	Civil Society Structure
	FBOs
	NGOs
	CBOs

2.6.3. Key Messengers

Media	Social Media	Information Products	Outreaches	Ict Platforms	Distribution channels
Print (newspapers) **Electronic (radio & digital television)**	**Facebook** **Twitter** **YouTube**	**Newsletters** **Posters** **Leaflets** **Banners** **Information Brochure** **Billboards** **Notice Boards** **Corporate Publications**	**Iimbizo** **Community Meetings** soda,sona, sopa and soma Information days and services on wheels Taxi rank, Mall and School Activations Exhibitions Live Big Screen Road shows Awareness Campaigns Community Dialogues IDP & Budget processes Media briefing sessions/Media Breakfast Business Breakfast sessions	Intranet Website Internet SMS Bundles	Thusong service centers Municipal Offices Post offices Government Departments Traditional councils

2.6.4. Communication Channels

2.6.5. Audiences

a. Communities
b. Tourists
c. Investors
d. Stakeholders
e. Media

2.6.6. Media Engagement Protocol

Official spokespersons

a. Executive Mayor / delegated MMC
b. Municipal Manager
c. Head of Communication

2.6.7. Media Engagement Channels

a. Media Briefing and or Media Engagements
b. Media Breakfast and Lunch
c. Facebook
d. Webinar
e. Press Statement and Releases
f. Radio slots and interviews
g. Newspaper articles

2.6.8. Media Protocol

a. Executive Mayor should speak or pronounce on policy relation matters
b. Speaker should speak on *Council* matters
c. Other political principals must be *delegated* by the Executive Mayor
d. Municipal Manager and Head of Communication speak on daily municipal activities (administration)
e. Municipal Manager and Head of Communication where possible should supply information or andnotes to the Political Principals
f. No other Municipal employee should in any case talk to media on institutional issues without being.

COMPONENT D: CORPORATE GOVERNANCE

2.7.1. RISK MANAGEMENT

The Municiplaity's Risk Profile: Below are the top risks as per the municipality's risk profile for 2023/2024

Risk management forms a critical part of Alfred Nzo District Municipalitiy strategic management. It is the process wheby the ANDM both methodically and intuitively addresses the risks attached to the strategic objectives and activities of the municipality. The goal is to ensure the achievement of strategic objectives as well as the sustained benefit within each activity and across the portfolio of activities. Risk Management is therefore recognized as an integral part of sound organizational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

The District recognises risk management as one of the cornerstones of sound and responsible Municipal governance. Apart from complying with Section 62(1)(c)(i) of the MFMA that requires the Accounting Officer of a Municipality to maintains effective, efficient and transparent system of finance, risk management and internal control.

Key among the responsibilities of the unit is to facilitate, develop, monitor and report on the Municipality's strategic risk profile. Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) were key enablers of risk identification and assessment. Ten (10) strategic risks for 2023/2024 financial year were identified for Alfred Nzo District Municipality, which covers all strategic goals and objectives of the Municipality. The risk universe such as top-ten global risk as per World Economic Forum, the top-ten Country Risk as per the Institute of Risk Management South Africa's Risk report, Auditor General of South Africa and Internal Audit Reports were also taken to account. Risk treatment strategies were developed and implemented by management. Strategic risk profile incorporated the following top-5 risks with progress report as at 30 June 2024.

The Municiplaity's Risk Profile: Below are the top risks as per the municipality's risk profile for 2023/2024

Top 5 Strategic Risk

Strategic Risk	Risk Mitigating Strategy	Degree of Deterrence %
Failure to maintain the status as a Water services provider	1. WSP to Continuously implement WSA recommended action plans post assessment and advocate Increase in water testing budget. 2. Comply with SANS 241 standards in terms of water testing and	**50 %**

	sampling. 3. Continue to capacitate water process controllers and any other relevant custodians involved in water processing. 4. Develop, implement and monitor compliance checklist/ Dashboard of none negotiable things according DWA. (Universe) for water services authority in accordance with regulatory framework. 5. Gazette and implement water and sanitation by-laws. 6. Develop water and sanitation master plan; 7 Develop water service development plan.	
Possible Water Losses above 30% Norm	1. Leak detection program through patrolling of pipelines; 2. Repairing of water leaks when detected or reported; 3. Repairs on the telemetry system; 4.Installation of bulk water meters. 5. Advocate for an increase in budget for repairs and maintenance on meters. 6.Purchase and install/repair telemetry system 7.Engage communities/ Community awareness on impact of illegal connections on service delivery; (Included media communications)	**75%**
Poor economic development(economic stagnation)	1. Speedily resolve issues of land claims to attract both internal and external investment by the Municipality 2. Industrialise the economy from primary sectors such as Aquaculture, Agriculture, Mining, and Forestry. 3. Improve and expand bulk infrastructure by the Municipality. 4. Convene business leaders/ investors/traditional leaders round table meeting. 5. Develop public private partnerships for long term investment. 6. Development of business centres in rural areas.	**50 %**
Inability to comply with grants requirements/ conditions in terms of spending.	1. Municipal Manager to appoint Bid Committees on time before the start of the new financial year and urgently replace those whose term is expired. 2. Strict monitoring the performance of service providers, contractors and consultants. 2.1. Process of filling Service Provider Assessment Forms to be reviewed to ensure confidentiality as assessor are being intimidated by services providers. 3. Blacklisting of none performing service providers. 4. Ensure/FastTrack issuing of Appointment letters/Purchase Orders within 7 days.(to be confirmed.	**80%**
Inadequate response to the current and future climate change impacts	1. Engage on Public Private Partnership to lobby climate funds for projects supporting climate change mitigation and climate change resilience,(Resuscitate/Renewal of partnership between Halmon Pyrmont district municipality in germany and Alfred Nzo. (Municipal green projects.) 2. Review climate change strategy, 3. Initiate catchment management programs including alien clearing, land restoration, wetland rehabilitation, 4. Initiate spring rehabilitation and protection programs, 5. Initiate Renewable energy projects for all ANDM buildings including WTW	**53%**

	and WWTW buildings, 6. Implement awareness programmes on environmental conservation. 7. Strengthen support on waste management to local municipalities 8. Monitoring and enforcement of Atmospheric emissions (Law enforcement e.g Traffic to engage with NEM) 9. Issuing of Atmospheric emission License. 10 Develop SOP for the implementation of NEMA NEMAQA (national Environmental Management Air Quality Act). 11. Request council to approve the implementation of NEMA including the SOPs.	

Top 5 Fraud risks

Fraud Risk	Risk Mitigating Strategy	Degree of Deterrence %
Servers may be hacked resulting in loss of information and confidential information being exposed	1. Anti-Virus Software. 2. Back-up procedure manual. 3. Daily back up 4. Disaster Receiving Plan and DR Site. 5. Firewall. 6. IT Usage and Security Policy. 7. Server Room Standards. 8. Third Party Access Form. 9. Password Complexity setting. 10. Information Technology Unit	**75%**
Abuse of overtime by claiming overtime that has not been worked or inflating overtime worked	1. Authorisation by supervisor. 2. Code of conduct. 3. Overtime policy. 4. Pre-approval by supervisor. 5. Reconciliation of pre-approved or anticipated overtime hours and actual worked hours. 6. Enforce monitoring and supervision bySupervisors. 7. Enforce corrective measures on misconduct of officials.	**80%**
Acceptance of gifts and entertainment by Municipal officials and councillors from suppliers (kickbacks) in order to influence/manipulate the award of contracts by the Municipality to the supplier	1. Ensure that all Municipal Employees have signed and accepted the code of conduct 2. Consequences enforced upon officials who fail to adhere to the requirements of the code 3. To conduct awareness (fraud and gift register) 4. Monthly report on Whistle blowing	**50%**
Employee provides a supplier with confidential information in order to give an unfair advantage	1. Create awareness amongst staff on the Code of Conduct 2. Signed Code of Conduct, informed of the consequences non adherence 3. Enforce consequence management for breaches code of conduct 4.Confidentiality clause signed by each bid committee member.	**50%**
Abuse of S&T claims by claiming for expenses that are not work related or inflating S&T with fictitious claims	1. Attachment of attendance registers and invitations 2. Segregation of duties 3. Use of standard claim forms 4. Use of pre-authorisation Memorandums signed by head of department 5. S&T Policy Developed 1. Regular awareness sessions and workshops to be held,	**80%**

	ensuring that all policies are properly communicated to officials	

Top 5 ICT risks

ICT Risk	Risk Mitigating Strategy	Degree of Deterrence %
Inadequate Security Management Controls	1. Maintain audit trails of IT processes e.g. Munsoft & Payday; 2. Monitoring of patch management processes; 3. Maintain a register for Security breaches and incidents; 4. Continuous awareness on Information Security Policy;	**90%**
Unauthorized access to systems and circumvention of logical access rights.	1. Review Administrator activities on Payday and Munsoft; 2. Monitoring of user access rights; 3. Review of the User Access forms; 4. Disable terminated employees from the system; 5. Filling of user access forms;	**90%**
IT - Management of Third Party Services	1. Suppliers Monitoring Policy 2. Contract Register. 3 Service Level Agreement with service providers. 4. Monthly monitoring of Service Providers	**90%**
Inability or failure to provide direction on Information Technology Governance processes.	1. Disaster Recovery Plan 2.ICT Governance committee 3. Information Security Procedures. 4. Information Technology Governance Framework. 6. IT Strategy and the Framework. 7. Business Continuity Plan. 8. Information Technology Steering Plan 9. Information Technology Unit 10. IT Strategic Plan	**70%**
Inadequate IT Service Continuity Controls	1. Automated Backups. 2. Disaster Recovery Plan. 3. DailyBackups. 4. BackupPolicy. 5. UninterruptedPowerSupply. 6. Network infrastructure upgrades.	**85%**

2.7.2. Anti-Corruption and Fraud

It is the policy of the municipality that fraud, corruption, maladministration or any other dishonest activities of a similar nature will not be tolerated. Such activities will be investigated and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the municipality recoveries where applicable. The council has approved the Fraud Prevention Plan and

Anti-Corruption Strategy to practical sets out the stance of the Municipality with regards to corruption and fraud, as well as reinforcing existing legislation aimed at preventing, reacting to and reducing the impact of fraud, corruption, theft and maladministration, where these dishonest acts subsist. And also with an aim to develop and foster an environment, where all employees and Councillors shall strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and re-active measures at their disposal.

2.7.3. Supply Chain Management

The municipality has a Supply Chain Management Unit that fully functional and established within the Budget & Treasury Office. All SCM processes are conducted in line with Section 217 of the Constitution of the Republic of South Africa, Chapter 11 of the MFMA, PPPFA and the 2017 Preferential Procurement Regulations and the SCM Policy of the Municipality.

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

Range of Procurement Processes

All procurement activities are conducted in a manner that is fair, transparent, efficient, competitive and cost effective in line with the provisions of the MFMA, SCM policy, and the 2017 Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act.

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

Competitive Bidding Processes

The SCM Policy stipulates that, goods and services above a transaction value of R200 000(VAT included) and long-term contracts may only be procured through a competitive bidding process. The municipality has established all three bid committees duly appointed by the Accounting Officer, namely, Bid Specifications Committee, Bid Evaluation Committee, and Bid Adjudication Committee. All projects that are processed by

these committees must be fully funded and be registered on the annual procurement plan.

Implementation of the 2017 Preferential Procurement Regulations

The 2017 Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act Regulations (PPPFA) Act No.5 of 2000 were incorporated in the SCM policy. The regulations are used to advance designated groups through the procurement activities, by applying the following pre-qualification criteria:-

- Bidders with a specific minimum BBBEE status level of contribution (only level 1 and 2 BBBEE status level);
- EME OR QSE (EME = Entity with an annual turnover of up to R10 Million and QSE= Entity with an annual turnover above R10 Million but not exceeding R50 Million);
- Bidders subcontracting a portion of the project (30%) to the local emerging entities as per the predetermined list.

Table 14: Website Activity		
Documents published on the Municipality's / Entity's Website	Yes / No	
Current annual and adjustments budgets and all budget-related documents Annual Financial Statements Adjustment Budget ;Draft Annual Budget Final; Annual Budget	yes	
All current budget-related policies	Yes	
The previous annual report (Year -1) Draft Annual Report Final Annual Report	Yes	
The annual report (Year 0) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b)of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0) (SDIBIP)	Yes	
Integrated Development Plan (IDP)	Yes	
All long-term borrowing contracts (Year 0)	No	

The Constitutional Court ruled on the16th of February 2022 against the implementation of the 2017 Preferential

All supply chain management contracts above a prescribed value (givevalue) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply,subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 madein Year 0	No	

Procurement Regulations, thus setting these aside. This was in response to an appeal lodged by the Minister of Finance against the ruling of the Supreme Court of Appeal. The judgement presented some confusion to the National Treasury and other organs of state resulting in the former issuing advisory notes halting the procurement processes and coming up with a mechanism of asking for an exemption should an institution wish to proceed with the procurement processes.

The matter has been clarified by the Constitutional Court, the Preferential Procurement Regulations, 2017 will remain in place until 15 February 2023 unless the new Preferential Procurement Regulations are promulgated at an earlier date.

2.7.7. By-Laws

During the 2023-2024 financial year, several important by-laws, including Health and Safety By-laws, Fire and Safety By-laws, and Water By-laws, underwent all required processes, culminating in readiness for gazetting. Public consultations were conducted in July 2023 to incorporate community input. However, due to budget constraints, the final gazetting process has not yet been completed, leaving these by-laws awaiting formal enactment.

2.7.8. Websites

Section 21B(1)(a)(b) of the Local Government Municipal Systems Act instructs each municipality to establish its own official website if the municipality decides that it is affordable; and place on that official website information required to be made public in terms of this Act and the Municipal Finance Management Act. Alfred Nzo District Municipality does have a website (www.andm.gov.za) and is updated with the content as and when required and according to the timeframes of uploading legislative documents. In relation to the communications in the Alfred Nzo District Municipality manages the flow of communication from and to the organization, media and broader communities. It is also responsible for attending to the information needs with respect to the Web site of the municipality, checking and approving the insertion of news items, articles and photographs. Legislated information in terms of section 75 of the MFMA is also placed in the municipal

website and updated as stipulated in the MFMA. This includes the following information:

All quarterly reports tabled in the Council in terms of section 52 (d)during Year 0	No
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.	*T 2.10.1*

2.7.9. Public Satisfaction on Municipal Services

The Municipal Systems Act 32 of 2000; emphasizes on the role of the municipality to establishsound relations between the municipality and its customers. Customer satisfaction measurement has a critical role in informing service delivery improvement. It allows the municipality to understand what its customer's value; how values vary between different types of customers and various customer segments The District Municipality establishedthe customer care unit in the financial year 2012/13. In this financial year the municipality has been using electronic customer satisfaction feedback devices that measure satisfaction levels of the public. These devices have been piloted in three ANDM satellite offices including the main offices in Mount Ayliff. A budget to roll out the project to two remaining satellite offices was set aside however the target could not be achieved due to municipal wide SCM constraints and pressures. The Municipality is a Water Services Authority under theMunicipal Structures Act (No117 of 1998). The Municipality, being the WSA, has also decided to fulfil the Water Services Provider function for the local Municipalities that fall within its area ofjurisdiction. These services are performed under the infrastructure within the DM. Theinfrastructure department is split into four sections, the WCDM, PMU, WSA and WSP.

The WSA which was previously under OMM has been moved to the Department of Infrastructure and is responsible for the compilation of the Water Services Development plan (WSDP) and the Master Plans for sanitation & transport planning. It is also responsible for the verification and review of by- laws and tariffs in terms of theWater Services Act (108 of 1997). It is also responsible for the investigations and designs of all water schemes and extensions.

The PMU deals with all capital and MIG funded projects in the entire district. These include water,sanitation, community facilities, and LED projects. This section also deals with the management of the funding of projects for which applications have sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, WinnieMadikizela- Mandela and Ntabankulu local Municipalities). It is responsible for the bulk and reticulation networks in the aforementioned municipalities. It is responsible for the

operations and maintenance of water services.

Infrastructure management of the drought relief funding, also deals with sampling for water andeffluent quality testing and compliance with legislative requirements (BDS & GDS).

The key main stakeholders that are critical to the success of our effort to reduce backlog are listed as follows:

The entire community (beneficiaries) to be served with water to ensure ownership of the project. Political leadership represented by Council who ensures that budget is equitably allocated toensure that it addresses the imbalances of the past in line with the Government's vision.
National and Provincial Government through Municipal Infrastructure Grant which ensures that Budget is made available.

Contractors and professional service providers who forms part of business community to ensure that projects are implemented on time at the right quality.

The municipality provides a high level, RDP and below RDP standards level of services of water and sanitation. People sourcing water from springs, rainwater tanks, streams, rivers, dams, or water vendors are deemed unserved. People sourcing water from within 200m from a standpipe in the rural areas are deemed served within the RDP Standards and people with ERF connections in the urban areas are deemed to be served with a high-level service. The Municipality provides bulk services for water and sanitation to Schools and clinics where the cost for connection is incurred by the respective sector departments been received and the implementation thereof. The strategic objectives of this unit are to provide services including engineering and community services to address the current backlogs.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE REPORT (PERFORMANCE REPORT PART 1)

INTRODUCTION

Service Delivery Overview

The major challenge that the municipality is currently facing is the reverse in backlogs resulting from the increase of a number of local municipalities it is serving.

The verification reports show that there is a lot of backlog eradication, replacement and refurbishment of infrastructure that needs tobe carried out at Winnie Madikizela-Mandela and Ntabankulu areas. One of the challenges that the municipality is facing in water provisioning is the statutory obligations. The challenge lies when the supporting departments do not respond promptly on compliance approvals i.e. water licenses, ROD's on EIA's and Basic Assessments conducted. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes. The other challenge that is usually overlookedis the poor performance by the contractors.

These challenges need to be addressed in the following manner: - Strengthening relations with thesupport departments through the IGR process. It is imperative that the implementation of debt collection strategies and the compilation of the indigent register is done so that all consumers thatdo not qualify as indigent are billed to recover costs for operations and maintenance.

Contractor development/ incubation programme had been identified and strict selection criteria withrespect to appointment of contractors are our areas of focus to change the situation going forward.Staff development and training remains our other area of focus to try and mitigate the issue of staff retention.

COMPONENT A: BASIC INFRASTRUCTURE DEVELOPMENT

3.1. Infrastructure Development and Municipal Services

In terms of the Water Services Master Plan developed by the Department of Water and Sanitation, the Municipality requires R20, 9 billion to eradicate its backlogs and ensure all its communities receive water and decent sanitation services at household level as per the 2017 Department of Water and sanitation (DWS) National Norms and Standards for domestic water and sanitation services. Considering the allocation that the Municipality gets per Medium Term Expenditure Framework (MTEF) of about R1bn from the National Fiscus as gazetted yearly in the Division of Revenue Act, it will take almost 60 years for all its people to receive these services. This results in the Municipality connecting fewer households with water as the backlogs are huge compared to the allocation that it received. Most of the projects that were implemented in the 2023/2024 financial are multiyear projects that started far back and started with source development and bulk infrastructure.

GREATER MBIZANA REGIONAL BULK WATER SUPPLY SCHEME

Greater Mbizana Regional Bulk Water Supply Scheme (GMRBWSS) commenced in 2009 and to be implemented under a phased approach (Phases 1 and 2). Construction of Phase 1 was completed in November 2016 at the cost of about R672 million. This phase involved the construction and completion of Ludeke Dam in Winnie Madikizela Mandela Local Municipality, which is the work completed in 2016.
The Scope of the Project entailed the design and construction of the following components:

a. Ludeke Dam was 100% complete with latent defects post construction;
b. Raw Water Pump station was 100% complete with no defects;
c. Rising Main was 100% complete with no defects;
d. 10Ml/day Nomlacu Water Treatment Works (WTW) was also 100% complete with no defects; and

e. More than 8500 households served through reticulated areas in Winnie Madikizela Mandela Local Municipal Wards 4, 5, 6,7,26 and 27.

Upon completion it was learned by the Municipality that more funds would be required for further reticulation to households as well as construction of a mainline to feed water into Nomlacu Water Treatment Works in Winnie Madikizela Mandela.
ANDM then approached the Department of Water and Sanitation, which then agreed to appoint Umngeni-Uthukela as the implementing agent to conclude the remaining phases of the project.

Alfred Nzo District Municipality (ANDM), Umngeni –Uthukela Water (UUW) Board and Department of Water and Sanitation (DWS) entered in to a Tripartite RBIG Funding and Implement Agreement. This agreement in the main entails upgrade of Greater Mbizana Regional Bulk Water Supply Scheme in order to meet water supply demand and future developments.

Clause 6 of the tripartite agreement in the main entails implementation of Greater Mbizana Regional Bulk Water Supply Scheme (GMRBWSS) with DWS as a funder and Umngeni-Uthukela Water Board as implementing agent. Additionally, UUW Board is responsible for procurement of all related services to secure capacity to implement the project successfully. The Department of Water and Sanitation (DWS) in South Africa has a **Construction Management Unit (CMU)** that is part of the National Water Resource Infrastructure (NWRI). The National Water Resources Infrastructure Branch (NWRIB) exists to ensure a reliable supply of water from water resources infrastructure, with acceptable risk, to meet sustainable national, regional, social, economic and environmental objectives for all South African citizens, while achieving this, the NWRIB will solicit and source funding to implement, operate and maintain water resources infrastructure in an efficient and effective manner (by strategically managing risks and assets). The CMU is responsibilities include:

a. Building new water resources infrastructure
b. Upgrading and rehabilitating existing water supply infrastructure
c. Meeting the needs for bulk water supply for agriculture, industry, and domestic use
d. Supporting economic growth and development

The implementing Agent appointed **Construction Management Unit (CMU)** within DWS as a contractor responsible to project implementation. **Construction Management Unit (CMU)** established site after appointment by UUW Board and started engaging project Steering Committee on project governance systems (CLO, Security and design of SMMEs packages).

Project Governance Structures were established as Project Steering Committee (constituted by tripartite parties, LM, Eskom and chaired by ANDM in terms of sub-clause 6.3 of the agreement). The following work-streams were constituted to support PSC as an overarching lead committee.

i. Planning, Environmental and Compliance Work-Stream.
ii. Social Facilitation and SMME Support Work-Stream
iii. Implementation Work-Stream

Additional to Work-Streams, there was coordinating committee convened every week mandated to monitor work of Work-Streams, immediate escalations, and resolution of matters arising from the project implementation.

Deferent functionaries representing tripartite parties convened the above work-streams and expected to report to the Project Steering Committee Chaired by Accounting Officer Supported by DWS Provincial Head. The project Steering Committee was reporting to Political Management Committee, which was Chaired by Executive Mayor supported by the Minister of Water and Sanitation.

The project started to show challenges on implementation of Contract participation Goals (CPGs) or Small, Medium, and Micro Enterprise (SMMEs)/ Micro, Small, and Medium Enterprises (MSMEs) packages. This program is meant to allow local beneficiation within project implementation. The predicament started on structuring of these packages because some exceeded 1 million, which then required that they be advertised nationally in terms of procurement policy from DWS. This policy requirement prevented advertisement of packages exceeding 1 million on local and this present a risk of project stoppages that led to parties reaching mutual termination of agreement.

It is however necessary to note the progress made in terms of the settlement of claims made by communities relating to the Project. This is to note that, upon completion of phase one of Ludeke Dam, a claim was lodged by Isikelo Traditional Authority against issues raised by communities such as Woodlots used for Community Livelihoods, that were affected by Dam expansion; Cracked Houses that was caused by blasting during the construction of the Dam; Ploughing fields affected by the expansion of the dam; Relocation of graves affected by the Dam; and grazing lands used thereby.
All the above matters were given attention by DWS and subsequently, R1 321 050.85 was deposited by DWS on 08 March 2024 to Isikelo Traditional Council bank account. Moreover, CoGTA confirmed that in their record funds have not yet been utilised owing to change of bank signatories as previously discussed

3.2. Water Services Provisioning

In terms of water services provisioning the Municipality operates and maintains a total of over 417 water supply schemes. The water supply schemes sources of water are 4 major dams (Ludeke, Belfort,

Ntenetyana, Matatiele & Ntabankulu) plus borehole water sources and surface water sources (weirs & springs). There are **8** Conventional Water Treatment Plants, **4x** Packaged Water Treatment Plants, **4x** activated sludge Wastewater Treatment Plants and **3x** maturation ponds

Majority schemes are rural or stand-alone schemes, which are either diesel or electric driven. The challenges of load shedding affect the supply of water to the communities and the high costs of diesel are not assisting as the provision of these services becomes costly. These rural schemes are dilapidated and requires refurbishment. The 2023/2024 allocation for the Water Services Infrastructure Grant was utilized mostly for refurbishment of water treatment works and wastewater treatment works in response to green and blue drop ratings of the Municipality. The status of water supply to the different towns is summarized as follow;

3.2.1. Winnie Madikizela Mandela LM

The town of Mbizana and its rural communities are being services by the Ludeke Dam and the Nomlacu Water Treatment Plant. The demand of both the town and rural areas far exceeds the capacity of the WTW resulting in rationing of water to the different villages whilst ensuring a consistent water supply to town. This resulted in the municipality engaging the DWS to upgrade the WTW from the current 10Ml/day to 20 Ml/day and expanding the bulk infrastructure network. When the project is completed, the water supply to both the town and rural areas will be improved. The investment on backup generators at both Ludeke Dam and Nomlacu WTW has ensured that the load shedding has minimal impact in terms of water services interruptions.

3.2.2. Matatiele LM

The Town of Matatiele and its surrounding residential areas receives water supply from different sources, namely, Matatiele Mountain Dam which feeds into the WTW, and several boreholes around the town. The capacity of the dam is in the order of 4.5 Ml/d (when the dam is full); however, this capacity is now compromised by the heavy siltation. The inflow at the Water Treatment Works is running at about 1.3 to 1.5Ml/d at present which is far below what it is expected. The low inflow capacity is due to a blockage on intake towers inside the dam as well as a possible blockage on the outlet valves on the foot of the dam. The current demand of Matatiele town is 3Ml/day and is currently not being met by the current flow from the dam. The water supply from the dam through the water treatment plant has reduced/deteriorated to an extent that most of the stands in town do not get any form of supply at all despite also pumping from boreholes as part of augmenting the supply. The municipality engaged divers to investigate the blockage at the Matatiele Dam abstraction point and further refurbished the borehole scheme that is taking water from the Khoapa village to town. This was done to ensure that there is consistent water supply to the town of Matatiele and its surroundings. The problem will be fully eradicated when the long term plans of constructing the Kinira Dam to augment the town supply.

3.2.3. Ntabankulu Town

The Ntabankulu town and surrounding (Yendlala village) is served from the dam and five boreholes, which are electricity driven as water sources. The demand for the town exceeds the current supply hence the water restrictions which are implemented on daily basis between 18h30-05h00. The availability of supply from the dam is 90% and from the boreholes is 25% (effect of load shedding). The town's boreholes have been refurbished in an attempt to increase water supply and to increase the supply to about 20l/s. There is a plan to incorporate surplus water from Bomvini/Nyokweni WTW to augment current and future supply in town. Another plan for the Ntabankulu town is to develop an isolated source for Yendlala village to ease high demand and construct Raw Water Storage for receiving water from the dam.

The rural schemes are operated and maintained by community operators, which get a stipend from the Municipality but are not part of the municipality payroll and do not have contracts with the Municipality. They do not receive any staff benefits from the Municipality and are replaced by the community whenever they feel they are not executing their duties. These rural scheme operators cannot be integrated to the staff establishment due to the fact that the municipality has exceeded its threshold in terms of the ratio of operational costs to total budget of the municipality. A work study conducted revealed that the core to support employee ratio is 56:44. Out of the 614 employees in the staff establishment, 357 related to core services and 257 relate to support services. This means the infrastructure department cannot create the required positions in the staff establishment. The blue drop and green drop results also revealed that the Municipality has to invest more on the water services infrastructure and personal to improve its functionality.

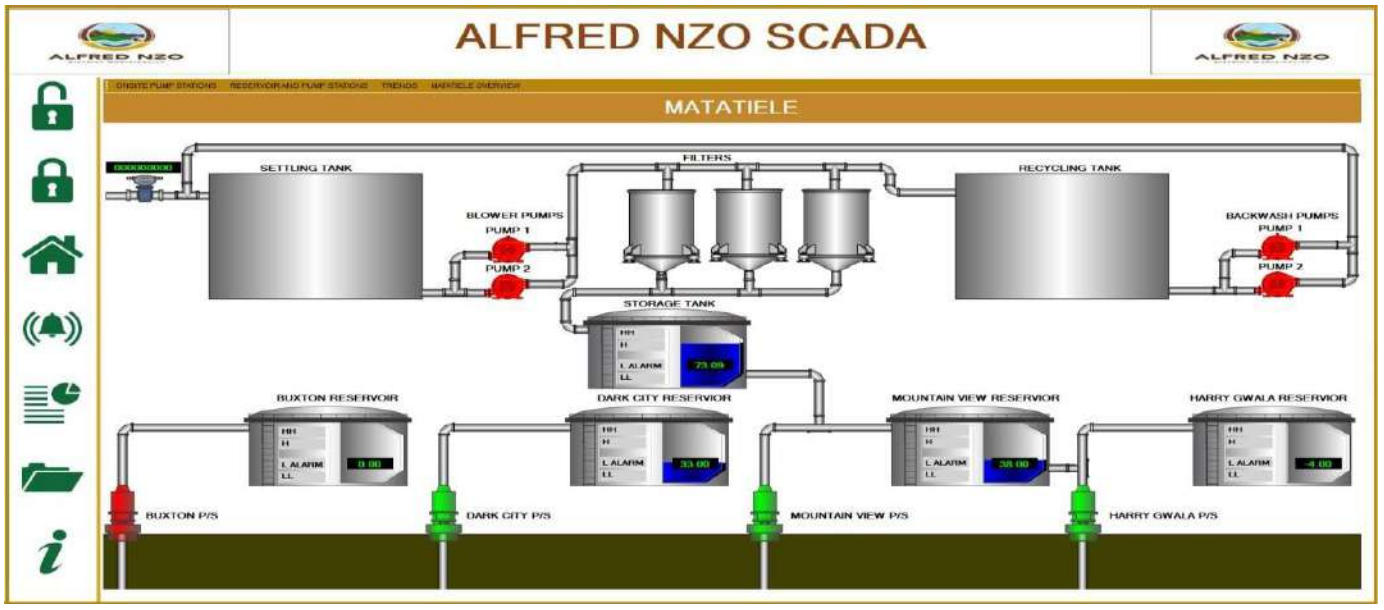
3.3. Water Conservation and Demand Management

The WCDM unit under the IDMS Department is responsible for effective monitoring and control of water losses whilst also ensuring Municipal revenue enhancement. The unit functions include;

- Water leak detection
- Monitoring of Municipal Pipe pressures through pressure Reducing Valves
- Monitoring of Pipe Daily and Night Flows by installing Loggers on bulk water meters
- Ensuring Proper Zoning of Areas to ensure accountability of all Water being used by communities.
- Replacements and Upgrading of available water meters to ensure Revenue enhancement and Water loss mitigation
- Install new water meters to ensure the Whole ANDM is fully flanged with metering
- Installation, operation and maintenance of Telemetry / Scada systems in the ANDM for monitoring of existing infrastructure to ensure reliable Water Services Provision

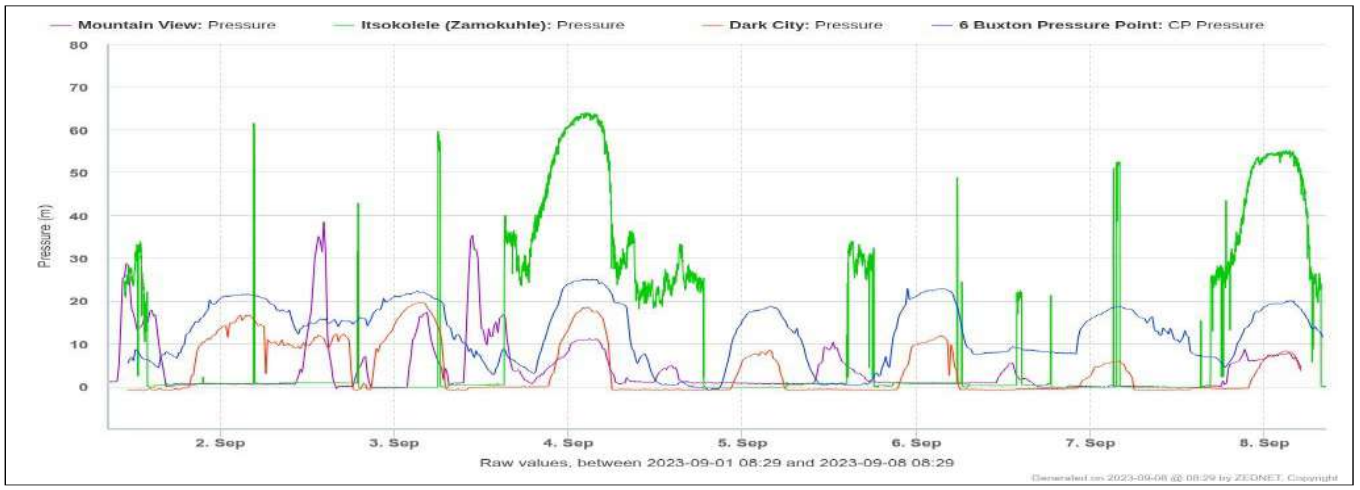
- Participating on the Enhancement of the Municipal No Drop Score in terms of conserving available Water Resources.
- Installation of pipe accessories that will ensure an almost zero percentage of water losses
- Compilation of Water meter Audits reports for IWA reporting System to DWS.
- Recording and accountancy of water use and losses
- Finding innovative ways of making the WCDM systems effective which includes electromagnetic meter reading systems and innovative electronic detection of leaks

FIG.1: A TYPICAL SCREEN GRAB OF HOW THE SYSTEM LOOKS LIKES, RESEVOIR WATER LEVELS ARE BEING ILLUSTRATED.



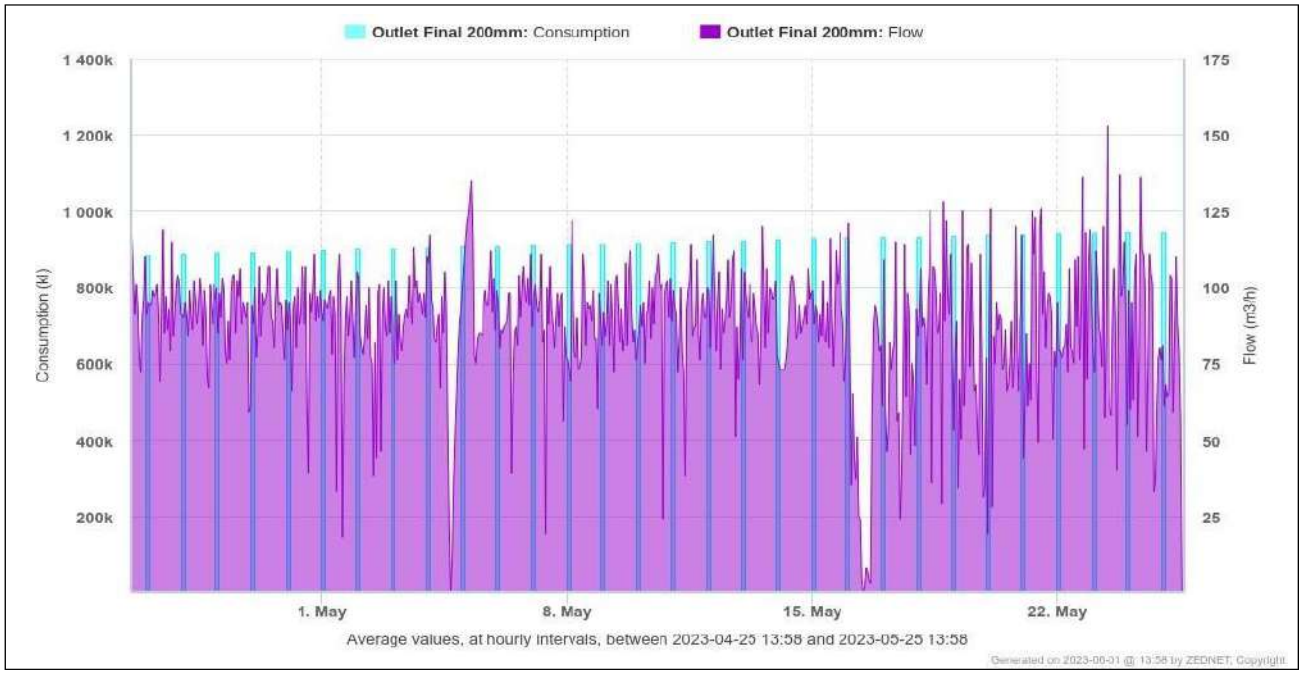
3.3.1. Pressure Managemnet

FIG.2: The system below (ZEDNET) illustrates pressures at the Matatiele areas as named at the top of the picture. This system assist the Municipality in monitoring pressures of the ANDM.



3.3.2. Water Metering

FIG.3: The bulk Conventional Meters installed for ANDM are able to monitor Daily & Night flows and Consumption in each meter thorough ZEDNET system, however not all meters are being logged because of budget limitations.



3.3.3. Water Quality Monitory

This ensures that water provided by the municipality is of good quality and is compliant as per the SANS 241 standards. The competent authority (DWS) established a national water and wastewater audits to ensure that these systems are in good or compliant conditions to provide services for its jurisdiction.

These audit called Green Drop and Blue Drop assessments, green drop is the assessment for wastewater treatment works and blue drop assessment is for water treatment works.

3.3.4. Water quality Sampling

Water quality sampling were conducted to all ANDM Water quality sample points including regional schemes. Also SANS 241 sampling was conducted according in compliance with SANS 241 Standards and Water Services Act. Alfred Nzo District Municipality sampled and analyse 56 Monthly samples and 14 SANS 241 Samples with an assistance from Umngeni-uThukela laboratory. The SANS 241 sampling only focused on regional schemes for both water and wastewater.

3.3.4. Green Drop Assessment for Alfred Nzo District Municipality

According to the "2022 Green Drop Progress Report", Alfred Nzo DM regressed slightly from its 2013 Green Drop status of 39% to 35% in 2021. The DM's upload of information on IRIS was delayed, but the Alfred Nzo team remained dedicated to the programme. The management team (WSA Manager) welcomed the audit team and confirmed municipal management's commitment to improved wastewater services going forward. This bodes well for the future of Alfred Nzo and the Regulator encourages the team to raise its performance towards the 2024 audit cycle.

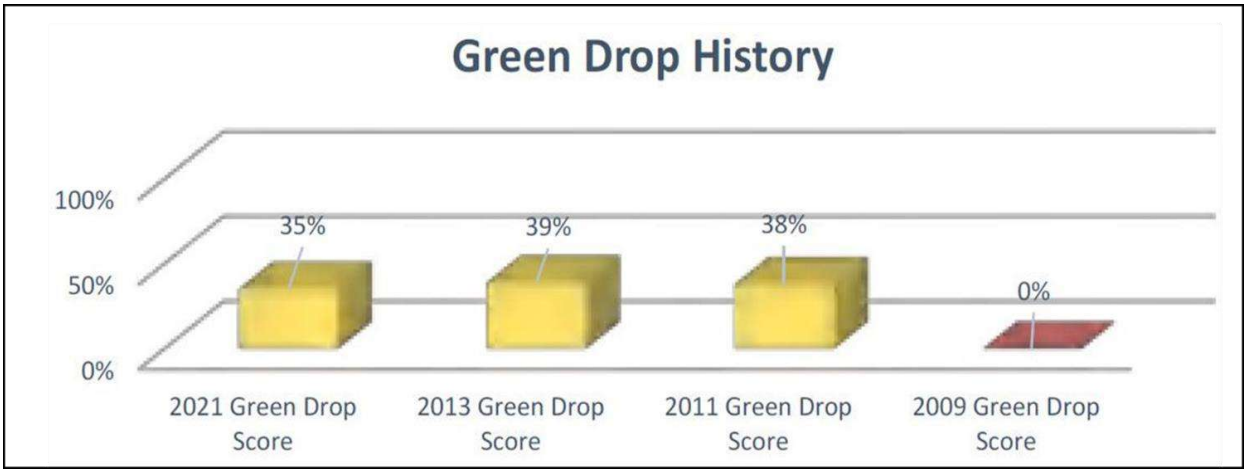


Figure 1: Green Drop Scores for Alfred Nzo DM since the audit was established

2022 Blue Drop Status for Alfred Nzo District Municipality

According to the "2022 Blue Drop assessment Report" the Alfred Nzo District Municipality scored a Blue Drop Risk Rating (BDRR) score of 47.1%, indicating that overall the District Municipality is classified as a Low-Risk Supply System (<50%). Alfred Nzo DM has eight drinking water supply systems in their area of jurisdiction. Belfort, Matatiele and Nomlacu systems are in the low-risk rating category while Kwa-Bhaca, Mount Ayliff and Ntabankulu systems are in the medium-risk rating category and Ntabankulu Boreholes and Mbizana Boreholes systems are in the high and critical-risks ratings categories respectively. Mbizana Boreholes system has no information for any of the Risk Indicators placing them in the critical-risk category. Ntabankulu Borehole System has no information for indicators A, B and E, this impacted negatively on the risks rating for this system. For systems with operational

capacity information, only Matatiele supply system is operating within capacity and the remainder of the systems are operating above 100% of the design capacity indicating insufficient capacity to meet current and future demand.

Table 1: Blue Drop Scores for Alfred Nzo Water Supplies

Matatiele Local Municipality Water Schemes	Water Treatment Plant	Blue Drop Report Score
Maluti / Belfort Water Supply Scheme	Belfort WTW	29.3%
Matatiele Water Supply Scheme	Matatiele WTW	27.5%
Ntabankulu Local Municipality Water Schemes	**Water Treatment Plant**	**Blue Drop Report Score**
Ntabankulu Water Supply Scheme	Ntabankulu WTW	68.3%
Ntabankulu Standalone Rural Water Schemes	-	89.8%
Umzimvubu Local Municipality Water Schemes	**Water Treatment Plant**	**Blue Drop Report Score**
Mount Frere Water Supply Scheme	Kwa-Bhaca WTW	54.2%
Mount Ayliff Water Supply Scheme	Mount Ayliff WTW	56.4%
Winnie Madikizela-Mandela Local Municipality Water Schemes	**Water Treatment Plant**	**Blue Drop Report Score**
Mbizana Regional Water Supply Scheme	Nomlacu WTW	42.9%
WMM LM Standalone Rural Water Schemes	-	100.0%

3.4. WATER SUPPLY SCHEMES

3.4.1. Refurbishment of Water Schemes

This ensures that the existing water services infrastructure in the district is maintained and refurbished to its original intended use. Through refurbishment, the municipality saves on water losses and unaccounted for water and also ensures that water that is provided to communities is of good quality.

3.4.2. Water Usage Monitoring

This ensures that water consumption by consumers provided by the municipality is monitored. The ANDM monitors water supply by recording the flows to the supply system. Consumptions volumes are recorded during billing. Consumption volumes determine the unaccounted for water through water balance of the output and consumed volumes.

3.5. Basic Service Delivery Performance Highlights

3.5.1. Key Performance Indicators in Water Services

Table: Annual performance as per key performance indicators in water services

	Indicator name	Total number of household expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during theyear
1	Percentage of households with access to potable water	155 875	43 965	100517	71339	
2	Percentage of indigent households with access to free basic potable water	199 840	-	30000	30000	
3	Percentage of clinics with access to potable water	-		No target set		
4	Percentage of schools with access to potable water	-		No target set		
5	Percentage of households in formal settlements using buckets	No Bucket System				

3.5.2. Key Performance Indicators in Sanitation Services

Table: Annual performance as per key performance indicators in sanitation services						
	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target setfor the f. year underreview	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	135 340	65400	32190	119 492	
2	Percentage of indigent households with access to free basic sanitation services	199840	-	30000	30 000	
3	Percentage of clinics with access to sanitation services			No target set		
4	Percentage of schools with access to sanitation services			No target Set		

COMPONENT B: PLANNING AND DEVELOPMENT

3.6.1. MUNICIPAL ENTITY-ANDA

The Municipal Entity is governed by a board of non-executive directors, which was appointed through a municipal council resolution that came into effect in July 2022. The Board Charter read with the Memorandum of Incorporation (MoI) clearly stipulates the structures that can enable ANDA to operate within defined parameters. The Chairperson of the Board and all other Non-Executive Directors / Board Members (with the exclusion of the Chief Executive Officer), are classified as Non-Executive Directors. There is a clear distinction of powers, functions and roles of the non-executive members (which include the Chairperson) and those conferred on the Chief Executive Officer by law and through delegation.

All Directors are enjoined to execute their legal duties in a professional manner, with integrity and utmost good faith. The Board of Directors is collectively accountable for the leadership and oversight control of management actions in ANDA. Its responsibilities include the development, review and monitoring of strategic objectives, the approval of budget expenditure, risk management and monitoring of operational and financial performance. The Board of Directors operates independently, impartially with separate authority from the Chief Executive Officer (CEO). The board leads the process of organizational oversight whilst the CEO is responsible for the operations of the organization including the supervision and management of staff.

The Alfred Nzo District Municipality is the sole Shareholder of ANDA. The Board of Directors contracts with the Shareholder, through an annually approved Service Delivery Agreement (SDA). The Chief Executive Officer, as the Accounting Officer, is accountable to the Board for the successful implementation of this SDA and the overall performance of the Entity and is also required by law to account to various other stakeholders on behalf of the Entity.

During the year under review, ANDA operated with a full time board of 5 non-executive directors, as a result the Entity has experienced stability in corporate governance. One of the first key areas of focus for the new Board of Directors has been to ensure that the entity's Board Charter clearly defines the role of Directors in alignment with the law and best practice principles. The charter provides a framework for fiduciary duties, responsibilities and overall functioning of the Board.

For the past 4 years, the entity has relied on shared services for Audit, Risk management and IT functions. The board has been assisted by the Audit and Performance Committee and was supported by the Risk Function which is provided by the Parent Municipality. The trio of Audit Committee, Internal Audit and Risk Function has been established through a shared service with the Parent Municipality. Therefore, during the 2023/2024 financial year, the Board endeavored to deliver on the core mandate bestowed over the Entity in line with all applicable regulations and

legislation, and in adherence to the best practice models and principles of good governance, as articulated in the King IV Code of Good Governance.

The figure below further depicts the relationship between the board, the parent municipality as the executive authority, and the Board as the accounting authority and accounting officer.

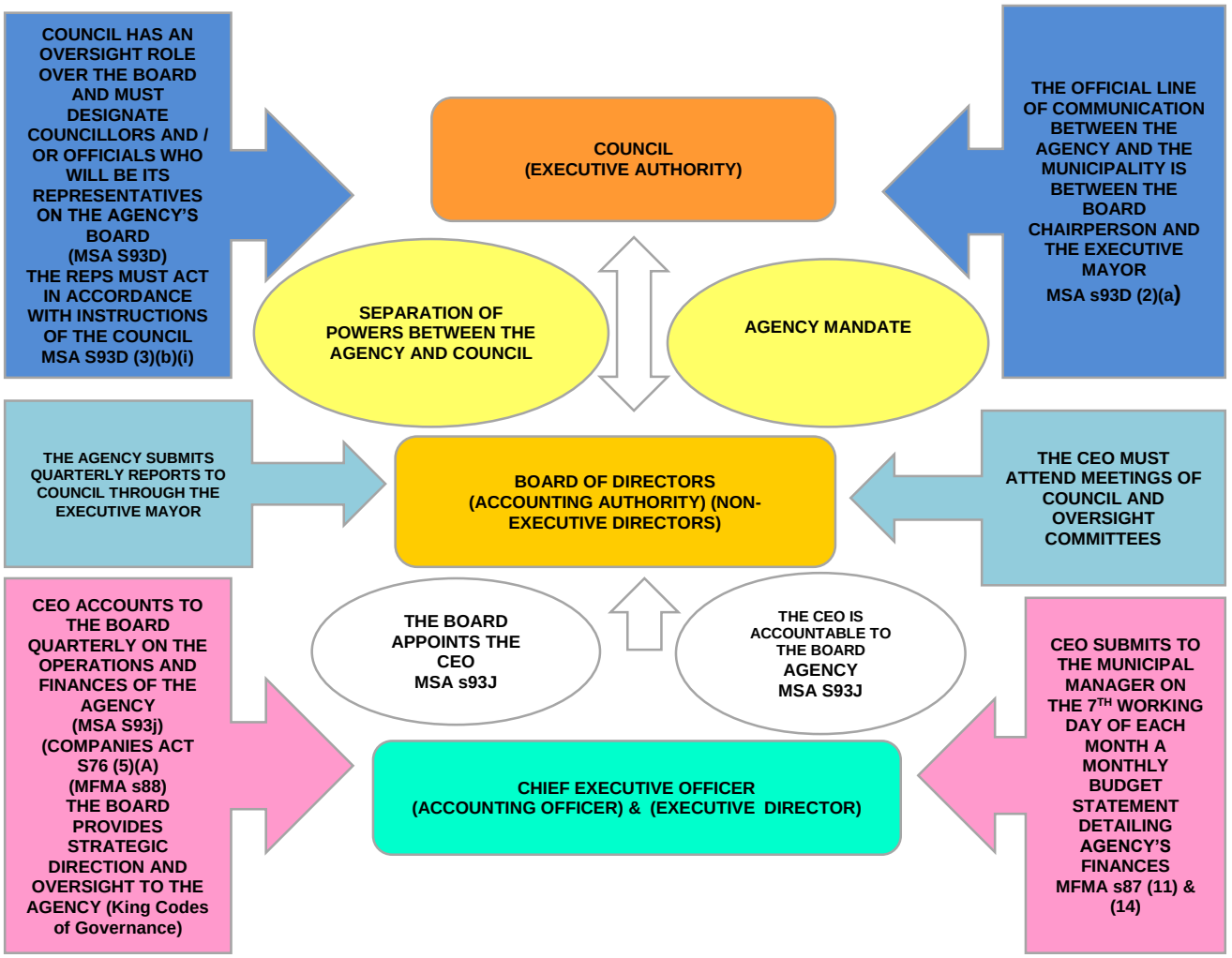


Figure 2: Governance Framework

STRATEGIC GOALS OF THE ENTITY

As part of its planning processes the ANDA assesses its strategic position in line with the prevailing conditions within the developmental context of the Municipality, the Province and the Country at large.

These planning sessions are conducted between Management and the Board as well as the Municipality, as the current sole shareholder.

ANDA management and staff undertook a strategic planning session during the second quarter of the 2023-2024 financial year; this process also included undertaking an assessment and

reflection on the **5-year** strategy of the Agency (Strategy for 2022 – 2025).

HIGHLIGHTS OF ANDA PERFORMANCE FOR 2023/24 FY

The Annual Report for 2023/2024 financial year has been prepared in consideration of the ANDA planning documents as approved by the Board and the Parent Municipality. As outlined above, ANDA provides service delivery to the people of ANDM in line with the mandate that was given to ANDA by the Parent Municipality. Furthermore, in conducting its business, ANDA has aligned its strategic direction to that of the IDP 2021/2025 and DDP vision 2030 of the parent Municipality. The entity, therefore, is structured to respond to the following national KPAs:

- Service Delivery and Infrastructure Development and Local Economic Development: these key performance areas are defined by projects that are cross-cutting and multi-disciplinary within the context of the mandate of the entity. Projects that fall within these KPAs seek to provide enabling infrastructure for economic development to take place whilst targeting sustainable job creation, skills development and income generation. These KPAs essentially represent the key and core business of ANDA as a service delivery arm of ANDM. The purpose of the KPA is to ensure that public businesses and non- governmental sector partners work collectively to create better conditions for sustainable economic growth and employment generation to improve quality of life for all. This KPA seeks to ensure a concerted effort to improve opportunities and the well-being of the rural poor through the development and implementation of rural development strategies and as well as establish LED partnerships. It further seeks to ensure that conditions for responsible growth and development are created by promoting SMME development and driving of key sectoral functions as articulated in the Multi-Year Business Plan 2023/2024.

- Municipal Financial Viability: through its budget and treasury office, the municipality entity has established a department that is aimed at ensuring that the entity becomes financially viable and compliant in line with the governance requirements of the MFMA. The purpose of KPA is to lobby financial resources and manage income, revenue and agency debt, render supply chain management services and expenditure services, render financial planning, budgeting and revenue, and debt management services.

- Municipal Transformation and Institutional Development: this KPA is fulfilled through a corporate services department that has been established within the entity to fulfil all related requirements. The purpose of the KPA is to render efficient and effective human resources management, administrative and ICT support services, render administrative support services, and ensure that the agency responds to the technological advancements for efficient and effective service delivery.

- Good Governance: this KPA is driven through the office of the CEO mainly through the Internal Audit and the Risk Function. It is worth noting that the scope of the office of the CEO is not limited to governance. However, the office is charged with ensuring that other KPAs of the entity are adequately implemented. The purpose of the KPA is to ensure a fully functional, accountable, responsive and financially viable agency administration to achieve the objectives of the development of the local state.

3.6.2. EASTERN SEABORD

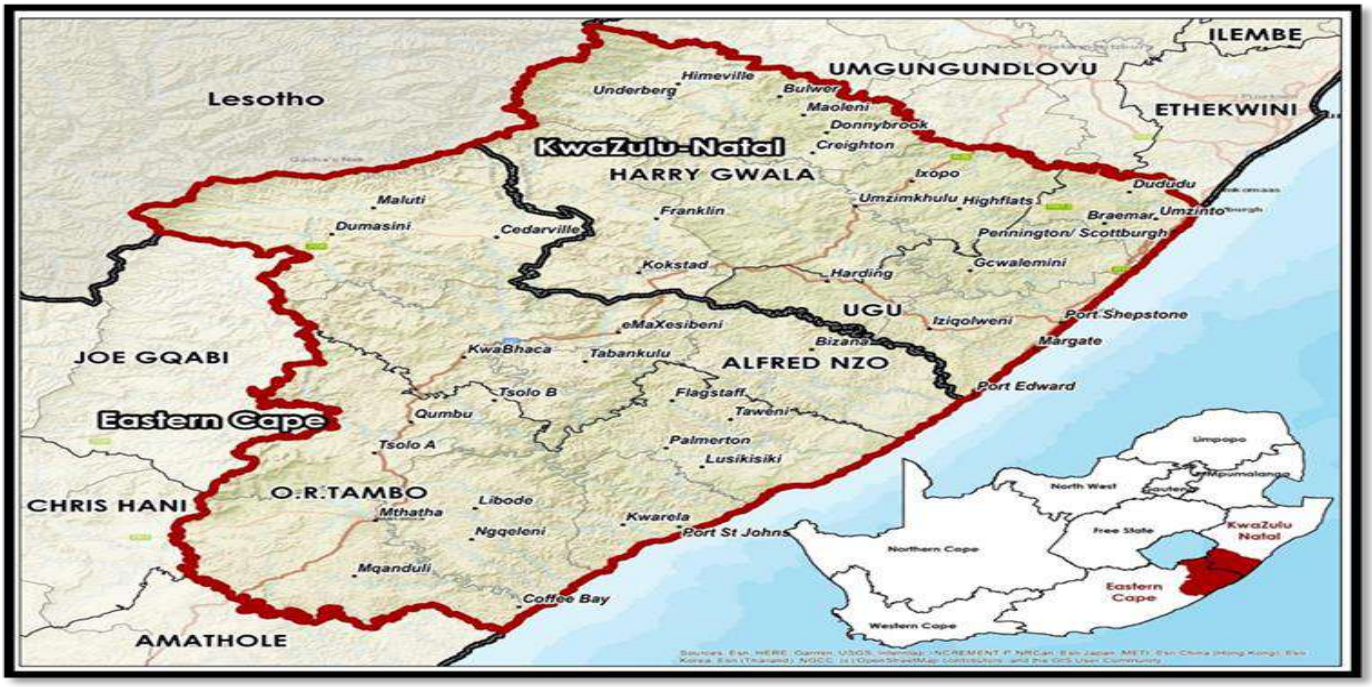
In the 2021 State of the Nation Address, President Cyril Ramaphosa says; "*two years ago I spoke about the dream of building new cities that will enable us to make a break with apartheid's spatial development*".

The Eastern Seaboard Development (ESD) is a District Development Model (DDM) flagship project, aimed at connecting villages, towns and cities of the Wild Coast Corridor. This unique corridor comprises ecological zones and tourism routes; with provincial, national and continental economies through transportation infrastructure and information technology.

The development is along a 120-kilometer coastal stretch between Margate and Port St. Johns, with supporting gateways between Kokstad and Mbizana; and is a broad and multifaceted vision to develop a new smart city to bring in new developments across KwaZulu-Natal and the Eastern Cape. The ESD comprises five national work streams that include stakeholder participation across sectordepartments, municipalities, the private sector and communities. ANDM participates in all the work streams.

Some of the key highlights of the Eastern Seaboard include:

1) Creation of Smart City that is to be located in the coastal belt of the wild coast.
2) Skills revolution targeting youth, to access scarce skills and skills compactible with the Fourth Industrial Revolution.
3) Massive Job creation across all sectors.
4) Accelerated economic growth.
5) Environmental Protection.



Alfred Nzo one of the six districts of Eastern Cape (EC) Province of South Africa, geographically located along the border of Eastern Cape (EC) and KwaZulu-Natal Provinces, establishing the district as a gateway between the two provinces. The district is in the north-eastern corner of the EC Province that stretches from the Drakensberg Mountains, bordering Harry Gwala District to the north, OR Tambo District in the south and east, and Lesotho in the west. Alfred Nzo District is the smallest district in the province, covering only 6% of the geographical area. The district is comprised of the Matatiele, Ntabankulu, Winnie Madikizela - Mandela and Umzimvubu Local Municipalities.

The development of a Regional Spatial Development Framework for the Eastern Seaboard Region serves as a key component towards the establishment of an African Coastal Smart City which covers the shores of Alfred Nzo District

As indicated above, the Eastern Seaboard Region was declared and Gazetted as a Region for the purposes of developing a Regional Spatial Development Framework (RSDF) on 20 June 2022. The Eastern Seaboard lies between the Eastern Cape and KwaZulu- Natal provinces, covering four Districts and seventeen Local Municipalities.

Rich in Oceans Economy and Bio diversity in the coastal belt that stretches from the borders of Kwazulu Natal to the OR Tambo District, Alfred Nzo District is set to benefit massively in this Eastern Seaboard initiative.

As a Government program, the Eastern Seaboard Development (ESD) is being coordinated in large part by the Alfred Nzo District Municipality. In light of this, the Municipality has put together and presented the ESD catalytic initiatives. The catalytic projects that were submitted are included in the Eastern seaboard Master Plan.

All Local Municipalities and other key stakeholders has been involved in all processes and developments in relation to Eastern Seaboard Development.

The Municipality actively participates in all ESD activities, including the creation of the Regional Spatial

Development Framework (RSDF) and its endorsement of its issuance by the Minister of Agriculture, Land Reform, and Rural Development at the time (DALRRD).

Various stakeholders and the Local Municipalities of the Alfred Nzo District Municipality actively participate in all of the ESD work streams that were formed, and they consistently supply the necessary information to the work stream conveners and coordinators.

Below are some of the current High Impact projects finding expression in the Regional Master Plan/RSDF:

HIGH IMPACT PROJECT	LOCATION	PROJECT OWNER	REQUIRED BUDGET
Construction Of A Boat Launching Site	Mzamba Village, Ward 24	WMMLM	R2 000 000.00
Beach Infrastructure development	Mzamba Village, Ward 24	WMMLM	R10 000 000.00
Agro-Processing (Izinini Forest Development)	Izinini Village, Ward 07	WMMLM	R 50 000 000.00
Agro-Processing (Farmer Production Support Unit)	Dyifani Village , Ward 31	WMMLM	R 40 000 000.00
Bizana Trade Market Square	Bizana CBD, Ward 01	Alfred Nzo & WMMLM	R38 506 200,00
Redoubt Precinct Plan	Redoubt, Ward 20	WMMLM	R8 500 000.00
Mixed-Use and Middle Income Township Establishments	Bizana CBD, Ward 01	WMMLM	R50 000 000.00
Mzamba gateway Centre	Mzamba Village, Ward 24	WMMLM	R10 000 000.00
Infrastructure Master Plan	WMMLM	WMMLM	R 5 000 000.00
N2 Wild Coast Road – Mtentu Bridge	WMMLM, Mkamela community Baleni-Jama community Mnyameni gorge road between Xolobeni	WMMLM	R4 050 000 000.00
HIGH IMPACT PROJECT	LOCATION	PROJECT OWNER	REQUIRED BUDGET

O.R.Tambo Heritage Theme park and Route	Mzamba Village, Ward 24	WMMLM	R15 000 000.00
Skhombe ,Mnyameni and Mtentu, Tourist Chalets	Skhomba, Mnyameni, Mtentu Village, Ward 25	WMMLM	R12 000 000.00
Ludeke Dam	Ludeke Village, Ward 04 Silangwe Village, Ward 27 Mbobheni Village, Ward 05	WMMLM	R120 000 000.00
Manufacturing Hubs	WMMLM Ward 04, 08 & 16	WMMLM	R 59 657 842.00
Revitalization Of Nurseries, Parks Including Out Door Gymnasium For Mbizana Town Library & Mphuthumi Mafumbatha Stadium	Bizana CBD, Ward 1 & 18	WMMLM	R18 000 000.00
Waste Minimization And Recycling Initiatives	WMMLM, Ward 1,7, 13,23 ,24 & 32	WMMLM	R 10 000 000.00
Majazi Landfill Site	Majazi Village, Ward 7	WMMLM	R 25 000 000.00

Routine Road Maintenance Of National Route R61	WMMLM	WMMLM	R93 908 344.00
HIGH IMPACT PROJECT	LOCATION	PROJECT OWNER	REQUIRED BUDGET
Dundee Rural Precinct Development PPP Catalytic Project:	ANDM, Umzimvubu LM Dundee A/A Ward 3	Public Private Partnership (o Vive Complex Holding (Pty/Ltd) o BP South Africa o ANDM o Umzimvubu LM o ESDP	R30 000 000.00
Kwa-Bhaca Market Square and Bus Rank	Umzimvubu LM, Ward 18	Alfred Nzo District	R10 999 095.00
Development Of Tourism Centre At Ntenetyana Dam	ULM, Ward 15	ANDM	R120 000 000.00
Upgrading of Mountain Lake Road & Mountain Lake Chalets	Matatiele LM, Ward 19	Matatiele LM	R50 000 000.00
Development of Matatiele LM Airstrip	Matatiele LM	Matatiele LM	R50 000 000 000.00

Ntabankulu Trade Port	Ntabankulu LM, Ward 10	Alfred Nzo	R32 558 139,90

3.6. Local Economic Development Strategy

ANDM IDP identifies, inter alia, Local Economic Development (LED) as one of the National Key Performance Areas and a strategic intervention for promoting socio-economic development, alleviating poverty and improving the quality of life. LED aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life for all, by realizing a locality's full comparative advantage. The Municipality had thus established a Local Economic Development unit, towards achieving LED within the district. Towards achieving its strategic direction, the unit has crafted a vision which guides its Programme implementation, and states; “An inclusive economy, generating wealth for ANDM communities”.

Moreover, towards the successful implementation and achievement of LED, ANDM had reviewed a Local and Regional Economic Development (LRED) Strategy as a sector plan, which was adopted in the 2019/20 financial year, as mandated by the Municipal IDP. The strategy serves as a guiding document for the development of District LED initiatives and programmes – providing a general overview of District economic drivers. LRED Strategy identifies key economic drivers within the Alfred Nzo District which are Agriculture & Agro-processing, Forestry, Tourism & Heritage, Manufacturing, and the Ocean Economy.

The District LRED Strategy consolidated programmes and initiatives that are designed to facilitate job creation through LED within the below listed sectors, which include:

1. Agriculture and Agro-Processing
    i. Through the implementation of the Agri-Park Programme, which focuses on crop production, infrastructure development and facilitation of access to markets.
    ii. Through establishment of the Alfred Nzo District Agro-Processing Hub that will create platform for storage and processing.
2. Tourism and Heritage
    i. ANDM developed Beach to Berg Corridor Development Plan to create a framework for implementing a collection of initiatives or programmes under one umbrella to grow regional development and assist in economic development of the region through tourism.
    ii. Currently the department is constructing a tourism hiking trail and information center located in Ntabankulu Gomo Forest.
3. The Ocean Economy

i. ANDM has a 32km coastline within the Winnie Madikizela Mandela Local Municipality. The coastline and the development potential that exists therein has been explored through participation in the National Department of Public Works Operation Phakisa Programme. To that effect, ANDM has successfully developed a Coastal and Ocean Economy Sector Plan that further explores the development potential of the coastline.

ii. Furthermore, the ocean holds potential of oil and gas mining and to this end a company called Shell announced plans to conduct 3D seismic survey to explore oil and gas which was successful challenged by the affected community groups at both High Court and Supreme Court of appeal.

4. Manufacturing

i. Through the conceptualization and implementation of the Resident Fashion Designer Programme aimed at the establishment of the textiles industry, however the sector struggles at national level due to global heavy imported countries such as china and India dominating the industry in South African markets. There is a need for national government to focus on protecting local textile manufacturers. The department has initiated the process of conducting a baseline study on the viability of the sector in the district to comprehend the extend of the problem.

ii. Through Business Re-engineering and redesign of the Cement Products Manufacturing Hubs as key drivers of the local economy, mainly for manufacturing all cement products in Alfred Nzo to benefit from low hanging fruits market opportunities presented by construction taking place in the district ranges from road upgrade, construction of sources of water supply and sanitation programmes and in turn create job opportunities.

As per the ANDM LRED Strategy, the Agricultural Sector demonstrates that the sector's contribution to the District economy is not in line with its contribution to employment — the sector creates employment, but has low levels of productivity. ANDM has previously participated in a study conducted by the Sarah Baartman District Municipality, investigating the potential for production of maize in the Eastern Cape. The study indicated that the animal feed industry in the Eastern Cape is mostly dependent on grain imported from other production areas, although the Eastern Cape has areas that are suitable for maize production (with Alfred Nzo indicating high potential for maize production). The District has since invested in a masterplan to guide the development of grain production.

The former Department of Rural Development and Land Reform (DRDLR) now known as Department of Agriculture, Land Reform and Rural Development (DALRRD) was mandated to execute the planning and establishment of Agri-Parks in each of the 44 District Municipalities in South Africa.

These Agri-Parks are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for dominant products. The ANDM is one of the District Municipalities in the Eastern Cape Province (EC) was prioritized for the establishment of Agri-Parks. An Agri-Park (AP) is a network innovation system of agro-production, processing, logistics, and marketing, training and extension services, located in District Municipalities. As a network, it enables a market-driven combination and integration of various agricultural activities and rural transformation services.

Therefore, **the first service delivery priority** for LED is:

To increase the level of production within the Agricultural sector*, to increase food security, sell the production surplus, where the intended outcome is to reduce high levels of unemployment and increasing District economic growth and development.*

MSME Development and Support has been identified by the District LRED Strategy as having potential to create employment opportunities and facilitate job creation. ANDM has thus embarkedon the development of an SMME Strategy; to provide a guide in terms of the various types of programmes that may be implemented in order to stimulate economic growth within the MSME sector of the District.

The MSME sector is faced with a number of challenges that relate to an under-developed MSME sector; which is not able to significantly and positively contribute to economic growth and development and the creation of sustainable jobs for the residents of the District.

The **second service delivery priority** for LED is:

The Tourism Sector Plan identifies potential niche areas in agriculture, fisheries, forestry mining and water resources which shall be packaged to enhance the basket of offerings for tourism market. Ventures such as agri-tourism, sport fishing, forest and nature walks, and rafting all utilize these resources and are major attraction especially for rural and nature-based tourism.

Product categorization was proposed in to the following segments:

Cultural tourism, Agri tourism, Nature based tourism, Birding/avitourism, Eco tourism and adventure tourism. Currently the municipality is in the process of developing the above different tourism products in Alfred Nzo to ensure that this region is a tourism destination, where tourists get to experience the district and ensure revenue circulates within the District.

The **third service delivery priority for LED** is:

The development of the District Tourism sector through the provision of infrastructure for asustainable Tourism Industry that will in turn contribute to the District’s economy.

The **third service delivery priority for LED** is:

The development of the Manufacturing sector through provision of necessary infrastructure and skills development for MSMEs. The conceptualization and implementation of the Resident Fashion Designer Programme aimed at the establishment of the textiles industry.
The resuscitation of Cement Product Manufacturing Hubs (formerly known as Zone Centres) as key drivers of the local economy, mainly for manufacturing building material and in turn contribute to job creation.

Measures taken to improve performance and the major efficiencies achieved by the department during the year:

3.7. Alfred Nzo District Agri-Park Programme

The Department of Planning and Economic Development continuous with the successful implementation of the Agri-Park Programme. An Agri-Park (AP) is a network innovation system of agro-production, processing, logistics, and marketing, training and extension services, located in District Municipalities. As a network, it enables a market-driven combination and integration of various agricultural activities and rural transformation services. Agri-Park are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for primary products. The ANDM is one of the District Municipalities in the Eastern Cape Province that have been prioritized for the establishment of Agri-Parks. In support of the Alfred Nzo District Agri-Park Programme, the Municipality supported 53 farmers across the region.

Farmers were supported with production inputs for them to be able to produce commodities like maize, beans, sweet potato and vegetable as well as mechanization activities (ripping, disking, planting, top-dressing, spraying and harvesting) and facilitation of access to markets.

Additionally, as part of the infrastructure development, the establishment of the Agro-Processing Hub is in progress. The aim of the facility is to store, process primary produce and add-value on products produced in Alfred Nzo District through Agri-Park and beyond. The development of the facility is undertaken in phase method, construction of two (2) silos and storage shed have been completed as part of phase one as well as site clearance, earthworks and roadworks. The sewer and water reticulation have been completed and the backup system is also in place in order to ensure that the facility operates smoothly. Furthermore, the fire reticulation system and heat ventilation and air conditioning (HVAC) has been successfully installed. The pavement of the facility has also been completed. In 2023/24 fiscal year, the Department constructed the Animal Feed Mill and this structure will be utilized to manufacture livestock feed.

3.8. Tourism Development Programme

ANDM has over a period of time, embarked on a skills developmental client journey with MSMEs

across the key sectors within the district. One of the key sectors within the space, Tourism has been identified among one of the sectors with potential to contribute significantly to the ANDM economy, and thereby addressing the triple challenges of poverty, unemployment and inequality. Towards ensuring that the untapped potential of the Tourism sector is fully exploited in ANDM, the Beach to Berg Corridor Development Plan which was also informed by the District Spatial Development Framework (SDF, 2012). Beach to Berg seeks to address the challenges of fragmented and Local Municipality boundary specific tourism initiatives within the district. Although local initiatives are essential, a District or Regional level intervention, which seeks to consolidate all tourism related programs and projects holds a high degree of significance for the development of this sector.
The B2B Corridor Development Plan seeks to address this gap by creating a framework for implementation that clusters a collection of initiatives and programmes into one umbrella with the intended outcome of growing regional development, and to also assist in the economic development of the District through Tourism. The visitor experience for ANDM tourists, whether coming to the district for business or leisure purposes, is intended to be a package where touristsget to enjoy their stay.

In line with the Beach to Berg Corridor Development Plan, ANDM in partnership with the Ntabankulu Local Municipality and Eastern Cape Parks and Tourism Agency recently packaged the development of the Gomo Forest Hiking Trail. The objective of the programme is to facilitate inclusive and integrated approaches towards rural tourism development. Gomo forest Hiking Trail has been extended by 8KM from the existing 3KM to the Ntabankulu Dam with signage and the building of Gomo Forest Visitor Information Centre.

3.9. Manufacturing Development Programme

ANDM has over a period of time, embarked on a skills developmental client journey with MSMEs across the key sectors within the district. One of the key sectors within the space, Tourism has been identified among one of the sectors with potential to contribute significantly to the ANDM economy, and thereby addressing the triple challenges of poverty, unemployment and inequality. Towards ensuring that the untapped potential of the Tourism sector is fully exploited in ANDM, the Beach to Berg Corridor Development Plan which was also informed by the District Spatial Development Framework (SDF, 2012). Beach to Berg seeks to address the challenges of fragmented and Local Municipality boundary specific tourism initiatives within the district. Although local initiatives are essential, a District or Regional level intervention, which seeks to consolidate all tourism related programs and projects holds a high degree of significance for the development of this sector.
The B2B Corridor Development Plan seeks to address this gap by creating a framework for implementation that clusters a collection of initiatives and programmes into one umbrella with the intended outcome of growing regional development, and to also assist in the economic development of the District through Tourism. The visitor experience for ANDM tourists, whether coming to the district for business or leisure purposes, is intended to be a package where tourists

get to enjoy their stay.

In line with the Beach to Berg Corridor Development Plan, ANDM in partnership with the Ntabankulu Local Municipality and Eastern Cape Parks and Tourism Agency recently packaged the development of the Gomo Forest Hiking Trail. The objective of the programme is to facilitate inclusive and integrated approaches towards rural tourism development. Gomo forest Hiking Trail has been extended by 8KM from the existing 3KM to the Ntabankulu Dam with signage and the building of Gomo Forest Visitor Information Centre.

3.9. Zone Centres Development Programme

ANDM, in its bid to stimulate socio-economic development within the district has identified garment manufacturing as one of the strategic industrial sectors to catalyze industry development in the area. There exist within the area of fashion design graduates and sewing groups involved in garment manufacturing activities. It is this pool of local talent that the ANDM has organized through the provision of garment manufacturing infrastructure, and technical and business training interventions to improve both the design and quality of garment products manufactured in ANDM. The Municipality is currently in initial stages of engaging universities in the Higher Education and Training sector to formulate community education and training partnership to ensure that fashion designers benefit from their well-advanced infrastructure and human expertise.

ANDM has been implementing training programmes in Garment Manufacturing and business skills (which entails the key elements of running a business i.e. Financial Management, Access to Markets, Governance etc.).

The Municipality trained (Capacitated or Equip) 25 fashion designers through Resident Fashion Designer Programme in advanced sewing training that includes generation of patterns and pattern grading, operation of sewing machinery (making use of machinery available for the programme), fabric cutting, understanding fabric types and the importance of providing care labels, quality assurance, garment finishing, quality assessment, besic garment making and fabric colouring.

3.11. Alfred Nzo Spring Event

The Municipality is implementing the Alfred Nzo Annual Spring Event this come after the Horse Race Association approached the Municipality tabling their challenges and issues experienced in the horse racing space. Upon engagements, the Municipality believed that such event can contributes- massively in boosting and growing the tourism and hospitality industry and equally growing the economy of the Alfred Nzo Region.

The main purpose of the event is to assist in pulling crowds or pulling up visitor numbers/ volume into the District and also to put the horse racers and local designers on the map by exhibiting and displaying their products, activities and have access to markets both locally and internationally.

In 2023/24 financial year, the Municipality hosted the first Alfred Nzo Annual Spring Event where several people benefitted from the Programme. In terms of the beneficiation, 18 artists were employed, 10 local sub-service providers benefited, 10 fashion designers, 100 horse racers and 100 fields workers. These numbers drastically improved when compared with the launch held in the previous financial year. The event is growing extremely well, and it is expected that more jobs will be created as more editions are held over a period where ultimately contributes positive to the economy of the district.

3.12. NEW OPPORTUNITIES IN ALFRED NZO DISTRICT JURISDICTION

3.12.1. N2 Wildcoast Development

The N2 Wild Coast Road (N2WCR) is part of the government's Strategic Infrastructure Projects South-Eastern Node & Corridor Development. The main objective of the projects is to serve as catalysts to increase the economic growth of the Eastern Cape and KwaZulu-Natal provinces. The new N2 Wild Coast Road transverses through Winnie Madikizela Mandela Local Municipality. The construction of the Mtentu Bridge over the Mtamvuna River is projected to bring a total investment of R223 Million into the Eastern Cape economy.

It has been cited that through this project, residents would benefit from jobs and skills transfer. R141 million is projected for payment of salaries to local Labour and MSMEs will benefit to the tune of about R1.8 billion in total.

3.12.3. Local Job Opportunities

The Alfred Nzo District is characterized by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low-income levels. With regards to the District's Gross Value Add (GVA) related to employment opportunities by sector. Government Services are the largest contributor to the ANDM Employment Sector; showing that District's economy is largely reliant on this sector. It contributes approximately 28% of the Gross Value Adding (GVA) in the district. Other sectors that play a noticeable contribution to the District's GVA include the Wholesale/Retail sector at 15%, Agriculture, Forestry and Fishing at 12% and the Manufacturing sector at 10% of total GVA. Manufacturing Sector Expansion Potential Agriculture (Grain Master plan) Forestry Expansion (27 000 ha to be developed).

3.13. Challenges and Highlights Relating To 2023-2024 Performance

The Planning and Economic Development Department has performed well in the implementation of the SDBIP, all projects were implemented successfully.
Towards mobilizing financial and other resources, ANDM has developed and submitted funding proposals for projects implementation. The Municipality submitted the proposals to National Skills Fund (NSF), National Treasury and Department of Small Business Development (DSBD). ANDM still need to mobilize more financial resources internally as aform of capital investment to the programmes, as well as to co-finance LED programmes.

Regardless of the limitations sighted above, PED has managed to conceptualize an Agricultural Production Model that displays how subsistence farmers can graduate from operating on a subsistence level to a commercial level. The model takes into cognizance the overall investment ploughed in by ANDM and partnering stakeholders; mainly sighting the best possible means to ensure that subsistence farmers graduate to commercial farmers. Over the past six (6) years number of subsistence farm producers graduated to semi-commercial and commercial level.

The model entails a hand-holding process, supporting the farmers with provision of production inputs, mechanization support, capacity building and mentorship, providing them with basic infrastructure as well as assisting them to access finance and markets. The district has successfully further managed to establish Alfred Nzo District Agro-Processing Hub. This facility will be used to storage grain and processing primary products produced through Agri-Park Programme. The hub aims to add value to the primary produce into secondary, processing of animal feed will take place and processing and packaging of vegetable product

3.14. SPLUMA Implementation

A District Municipal Planning Tribunal (DMPT) is a Municipal Planning Approval Authority

appointed by Council in accordance with Section 35 of the Spatial Planning and Land Use Management Act, 16 of 2013. The role of the District Municipal Planning Tribunal is to assess land use and land development applications within the jurisdiction of the Alfred Nzo District Municipality. Due to complexities of the planning applications, the DMPT was then required to review, approve and decline applications guided by the relevant planning policies and legislations. However, Umzimvubu and Winnie Madikizela-Mandela Local Municipalities have resolved to withdraw from the DMPT and have their stand-alone Municipal Planning Tribunals, leaving only Ntabankulu LM. According to SPLUMA, there must be two or more local municipalities to form a DMPT, therefore, the DMPT was dissolved in 2022/23 financial year.

The municipality has developed a Rural Settlement Development Plan (RSDP), which is a document that analyses the situation in the communities and suggests best suitable locations for community activities. It illustrates suitable locations for settlements, agricultural and economic activities to avoid having establishments in areas that could have negative impacts. RSDP is done in two phases, WMMLM and ULM was completed, Matatiele and Ntabankulu LM will be done in 2024/25. The unit is facilitating SPLUMA awareness's to Chiefdoms across the district to emphasize the significance of having organized communities in terms of Land Use Management as SPLUMA is supposed to be implemented wall-to-wall.

3.15. Geographic Information Systems (GIS)

GIS Data Maintenance: Rural Sanitation

GIS unit embarked on a Social Infrastructure data capture project whereby Technicians were surveying the location (X, Y, Z coordinates) by means of Global Positioning System (GPS) and thus physically verify the social infrastructure as well as related facilities for in wards 5 & 7, Matatiele Local Municipality.

As per the scope and extent of work the GIS unit was required to capture, map and submit Geodatabase Matatiele Local Municipality's Social Infrastructure.

GIS Shared Service Implementation

The GIS unit established the GIS shared service Implementation Project for the purpose of providing support on spatial and non-spatial Data to data users within ANDM, its Local Municipalities and to the public at large and ensuring access to the GIS technology facilities available within the unit. It is the responsibility of the unit to ensure that data is handled and shared accordingly. The unit (through GIS Shared service Implementation project) is also responsible for holding sessions and forming part of forums and meetings with local and external Data custodians allowing and ensuring sharing of spatial data, ideas and project. Such forums and sessions are crucial as they allow for the unit to form part of bigger platforms of spatial Information, present its current and future projects. This also ensures that there is no repetition of the same projects within the district saving time and money. GIS Shared Service platform is fully operational, and requests are attended to timeously.

Environmental Sensitive and Protected Areas Mapping

The ANDM is responsible for implementing several projects that can potentially have impact on the environment, having such a database in place can greatly improve decision-making and ensure compliance with environmental requirements. The municipality has appointed Liyasa Engineering to implement the mapping of environmental and protected areas across the district. The purpose of the project was to ensure that an environmental database is developed using GIS to visually present all the environmental issues in ANDM that are documented on various documents of the institution. This database also assists in building organizational knowledge and ensure that environmental information is available in a central database, can be spatially analyzed and can be easily distributed to various users.

The project aimed to achieve:

- Capturing data of Environmental protected & sensitive areas
- Incorporate the data into the GIS Database
- Photographs and descriptions of captured features.
- Ensure all Environmental Management Information is available in a GIS database.
- Present and analyses Environmental Management Information (EMI) spatially using GIS
- Improve understanding of environmental issues and necessary strategies.

GIS Data Maintenance: Water Infrastructure

Amongst the datasets often required by GIS data users is the water infrastructure. This

information is very crucial to aid decision making for clients involved in land purchases and development for commercial and residential purposes who need to know the location and condition of such infrastructure.

These datasets are also useful to the ANDM for planning as well as operations and maintenance of the infrastructure. By keeping accurate records of such infrastructure, the municipality will be in a position to avoid pipe bursts during constructions along the road where water pipelines are often found. Furthermore, the service providers that were involved in constructing most water schemes within the ANDM completed a while ago and are now difficult to get hold of and therefore, it is imperative that the GIS Unit constantly updates the Water infrastructure Geodatabase through physical verification and capturing.

Water infrastructure has been done in two varieties: appointed service provider and internally. Liyasa Engineering has been appointed to capture water infrastructure in Ntabankulu Local Municipality, 26 schemes have been captured by the service provider and schemes in wards 14, 12 & 7 were captured internally by the GIS personnel. In Matatiele schemes in ward 23 & 24; Umzimvubu LM water infrastructure in ward 20 & 6, WMMLM water infrastructure in ward 8 were captured by the GIs Personnel.

COMPONENT C: COMMUNITY & DEVELOPMENT SERVICES

Pollution Control

Climate Change vulnerability assessment

The vulnerability assessment (VA) was completed in 2012 and vulnerability maps werecompleted. With climate change vulnerability assessment, a climate change committee was established and this committee ensured that a climate change summit is hosted where different stakeholders were invited to participate in incorporating the climate change issues into the planning of the municipalities within Alfred Nzo District Municipality.

The vulnerability assessment (VA) was completed in 2012 and vulnerability maps were completed. During this assessment, it was agreed that the Municipality (ANDM) must establish a Climate Change Response Strategy to be able to respond on the impacts posed by climate change. The Strategy was firstly established in the year of 2015 and there were recommendations put forward by the strategy. Those recommendation were holistically looking on the value of the water resource management and the tool be used to save those priority areas, hence the Municipality implemented these below projects:

- Community Based Natural Resource Management (CBNRM)
- Spring Rehabilitation

- Climate change Awareness campaigns
- Review Climate Change Response Strategy

  The project emanates from the strategy, and the priority areas shown in the map below also contributed in ensuring that these projects were implemented to a deserving areas.

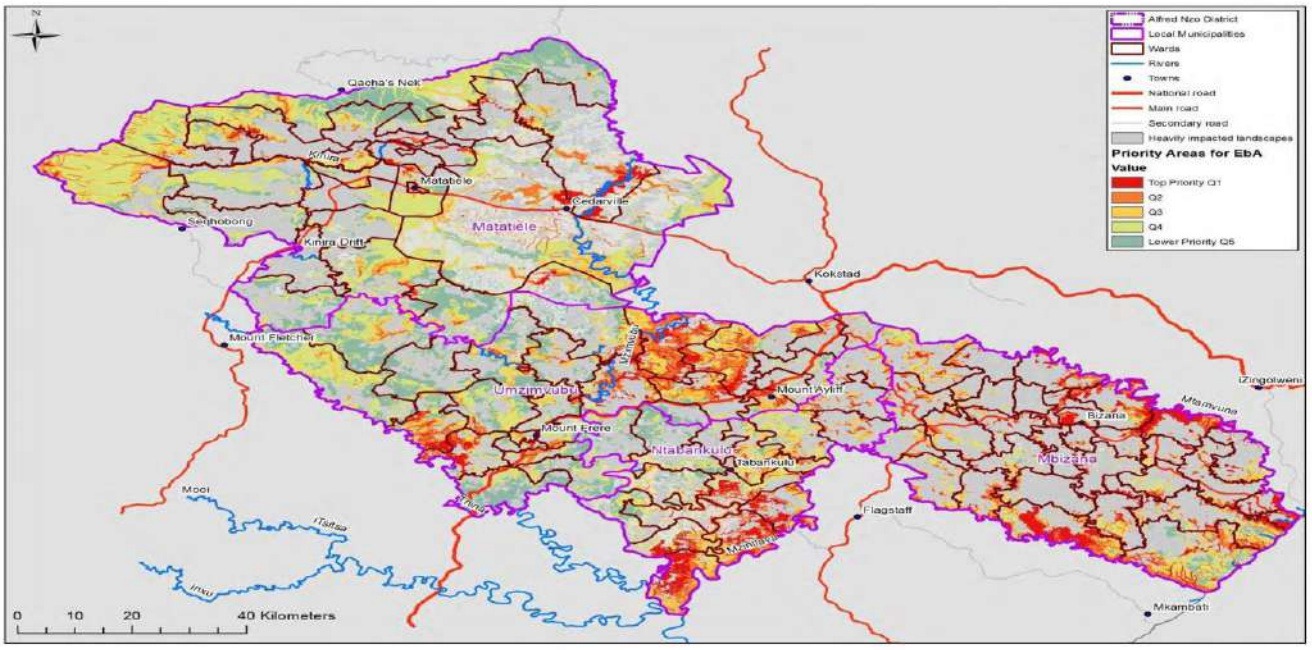


Figure 2: *Map of ecosystem based adaptation priorities in the Alfred Nzo District municipality. Red and orange areas indicate the areas of highest value for EbA, while grey areas indicate heavily transformed or impacted areas.*

Municipal Health Services

As per the Municipal Structures Act, s84, ss1 (i) & National Health Act 61 of 2003, the Municipal Health Services are a responsibility of the district municipalities and metropolitan municipalities.

This function is strategically placed in Metro and District Municipalities, hence the availability of the full function in ANDM

It is on this basis that even the National Treasury is funding the district municipalities to carry out this function through the Equitable Share under Community Services.

ANDM Municipal Health Services started F/Y 23/24 with a Baseline of:

- Preparations for hosting National World Environmental Health Day 2024, Commemoration Event
- Action Plan for achieving the recommendations of National Department of Health Audit as it was presented to Municipal Manager by NDoH

The organogram of ANDM is taking care of the function, although there should be improvement

and compliance based on the World Health Organization's norms and standards that each EHP should service10,000 population (1:10,000)

As a stride to reach a compliance level, it was then deemed fit that 3 EHP positions be filled each year, and this plan was put in place such that it is in the Action Plan signed by the Minister of Health. A gap is still too evident as we have not moved to adjust and adapt to the signed plan.

ANDM MHS started from a very bad note of retirement of 2 MHS officials (Chief EHP and EHP).

Appointed 1 Chief EHP and 2 EHPs.

Proposal for appointment of MHS personnel for specialization of programs is also on the table, especially after benchmarking that was done at Ehlanzeni DM, and what is a norm according to National Department of Health legislations.

MHS is continuing to work with GIS in Environmental Health System, collecting of coordinates for different premises, and this is done to present the distribution patterns of premises in the District.

10 MHS officials who are going to have access of using GIS License were trained to use of Survey 123 System. This training was also done for all EHPs.

The Environmental Health GIS is working very closely with ICT and GIS (Planning Department), and so far a database has been formulated (and update as per necessity)

An ongoing intervention remains to be necessary from ANDM going forward.

As a way forward NDoH has introduced a revised Audit Plan which will improve decision making information. Up to this far, the municipality has improved in rendering MHS in our district, and the assistance has been exacerbated by the National Dept of Health (Environmental Health Chief Directorate) and SALGA is prioritizing the implementation of sound Municipal Health Services in our operating spaces

Alfred Nzo DM was represented in National Environmental Health Day 2023, at Cape Wine lands where this achievement was put on a spotlight. It is also in this platform where ANDM was awarded for great achievement and performance during COVID era. It needs to be mentioned that the Portfolio Head: Community Development Services took the space to present on what MHS is doing to change the livelihoods of ANDM communities, and it was also in this platform that he indicated the readiness of Alfred Nzo DM to host the 2024 World Environmental Health Day for the whole country

It is based on the above that the Section was hit very hard by the demise of Portfolio Head CDS, exactly during the times of preparation for attending the IFEH, and also in the time he had pledged and committed to being ready as ANDM to host the national event.

Municipal Health Services was represented in Australia IFEH World Congress (International Federation for Environmental Health), where ANDM presented the way Municipal Health Services is implemented in our rural setup. This was one of our strong points as we were the only district municipality in South Africa

that was given an opportunity to share the experiences received from day-to-day operations and looking into the preventive health services of our communities as rural as we are

Peace Officers Training for Law Enforcers: 6 EHPs were trained in Law Enforcement by Nelson Mandela University. The purpose is to assist in the process of increasing and equipping our practitioners to be Peace Officers who have been regulated by the Law Enforcement Agency of South Africa (National Commissioner). This shows the practicality of implementing our legislation as it is one of the important tools to straighten compliance, economic and community growth of our country

Municipal Health Services KPIs

Good Governance: food safety and awareness programs, and since the function has been introduced to district municipalities in the last decade, this has then assisted the ANDM Council in understanding and accounting for the function that has not been their responsibility before.

Establishment of Food Coordinating Committee for Alfred Nzo DM which includes all the stakeholders that have responsibility in Food Safety, is much considered.

Food Safety raids are conducted in all ANDM areas with relevant stakeholders coordinated under one roof.

For School Nutrition Program, food safety Awareness's are done for Food Handlers and Nutrition Coordinators.

Inspections of School Kitchens are done and certification of these kitchen is seen as a requirement by the Department of Education.

In the previous financial year we managed to have only 4 schools which could comply so as to be issued with valid Certificates of Acceptability, but in 23/24 there has been more considerable development in our schools as now we have issued to 39 schools which have complying school kitchens of which Certificates of Acceptability now they have valid CoAs.

MADLALISA PRIMARY SCHOOL

This is an example of a school that has a complying kitchen. It is in the outskirts and rural area of Ntabankulu, but we are proud of the development that has been executed and maintained by Dept. of Education (East and West)

Below is the example of one of our compliant and improved school kitchens. This is what is going to make our school community grow in a preventative health way, more that we could ever imagine

Evaluations and meat and milk safety awareness's are done in butcheries and milk parlors, specifically to look at the adulteration of meat (& meat products) and milk (& milk products). This has always been a cry in the country (especially from National Parliament) that there are lowered standards of products sold to our people at exorbitant irreversible costs. These usually affect schools where the programme of SNP (School Nutrition) is the main stream for feeding students/ scholars)

Food Safety monitoring is done in events to curb food poisoning cases, and for the 23/24 financial year we have monitored more than 43 events across the district. EHPs start from monitoring their kitchens, training the selected caterers and thereafter monitor their process of food handling even during the event. Also advices are forged even with waste management of these events at large

During this year more than 26 raids have been done to ensure that foodstuffs sold to our communities is sound and complies with the South African legislation. Maintenance of compliance (emanating from the COD era) has assisted and boosted MHS in ensuring that Food Safety and Control is strengthened. These raids are conducted in a multi-disciplinary style (where we engage different specialties in our government sector)

Application of the R638 in food handling premises has also assisted in ensuring compliance through issuing of Notices of Compliance also increased the compliance and closure of excessively non-compliant outlets

Business Raids conducted in 2023/24

The following stakeholders are included: Fire & Rescue, Disaster Management, LM Law Enforcers, Community Safety, Waste Management, LED, SAPS, Consumer Protection, SAPS Border Control (Counterfeits), Immigration (Home Affairs), DRDAR, Liquor Board, SARS, National Regulator for compulsory specification

Statistics of food establishments dealt with (inspected) in 23/24

No of food outlets inspected	228
Compliance Notices issued to shops	22
No of School kitchens	87

inspected	
No of CoAs issued	25
No of shops closed	30

PHOTOGRAPHS: INSPECTION OF FOOD PREMISES

HEALTH SURVEILLANCE OF PREMISES

Evaluation/ inspection of businesses (rural & urban), all government premises as required by law, and there has been a remarkable change in the maintenance of government institutions (with

specific reference to hospitals, clinics and schools). Even with the business world, a very remarkable improvement has been noticed.

National Environmental Health Norms and Standards for premises and acceptable monitoring standards for Environmental Health Practitioners are implemented taking into consideration that they have annexures in the likes of Health Certificates, Certificates of Acceptability, and Certificates of Competence.

Alfred Nzo DM MHS Office inspected Alfred Nzo DM Offices as part of mandate by National Norms and Standards for Environmental Health. Alfred Nzo DM main Office was inspected and compliance notice was served to Municipal Manager as the premises were categorized as high risk.

Compliance notices have been issued to hospitals that had repairable challenges which could be corrected and this is improving the purpose meant for our government buildings

An active involvement of EHPs in ECDCs has already been strengthened, and at some stage a decision was reached to transfer the ECDCs from Dept. of Social Development (DSD) to Dept. of Education (DoE). Dept. of Social Development has assisted a lot, responding to the Inspection Reports issued by EHPs, and as such there are changes for the better in our ECDCs in this district.

It has not been that much of a seamless transfer as some of the Social Workers were not transferred and so there were some glitches, but this is corrected as times go by: ECDCs. This then posed a hazard to the EHPs as they had a burden of inspecting ECDCs only to report to 1 Social Worker

Environmental Pollution Control (E P C)

i) Air Pollution: Air Quality Monitoring

ANDM is embarking on strategies to mitigate and adapt to effects of Climate Change, and out of this workshops and trainings are being held to put the EHPs on par with the advantages and disadvantages. On top of this ANDM has managed to procure Air Quality Monitoring equipment which is assisting in measuring some emissions an deemed fit by our MHS Unit
So far this equipment has been used in measuring Air Quality around the district, and 3 charcoal manufacturing centres have been visited and monitoring has been conducted as such

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ANDM has managed to procure ***4 air monitoring devices*** which are to assist in monitoring and thus minimizing the risks caused by air pollution (which usually lead to air pollution induced conditions)

i) *Land Pollution*

Education is the main focus as most of our land pollution emanates from waste that is not properly managed. The main area of focus is where there is uncontrollable disposal of disposable nappies. A study has been that these nappies are non-degradable, and therefore in no time the land and rivers will be over-contaminated with faucal matter as well as these nappies. Without saying, this will be depleting and polluting the water sources

The Environmental Health Audit (EHA) is capacitating ourselves on issues which ordinarily, we could take too much for granted, but because of the EHA we are being mindful of the impacts that are indirectly caused by these repercussions of carelessness in insensitivity

ii) *Climate Change Adaptation*

This is also part of the awareness campaigns that are conducted by MHS, where it is very clear that whatever we do as communities to pollute our environment and atmosphere, it always affects directly and indirectly the climatic conditions (and usually it always has some detrimental effects)

Disposal of the Dead/ Management of Human Remains

Regulation R363 (Regulation relating to the management of human remains) under National Health Act, 2003 (Act No 61 of 2003) explicitly outlines the role of EHP in the program of Disposal of the Dead.

- Inspections of Funeral Undertakers including Forensic Pathology Laboratory
- Monitoring of exhumation and Interment processes
- Inspections of cemeteries
- Environmental Health Awareness's

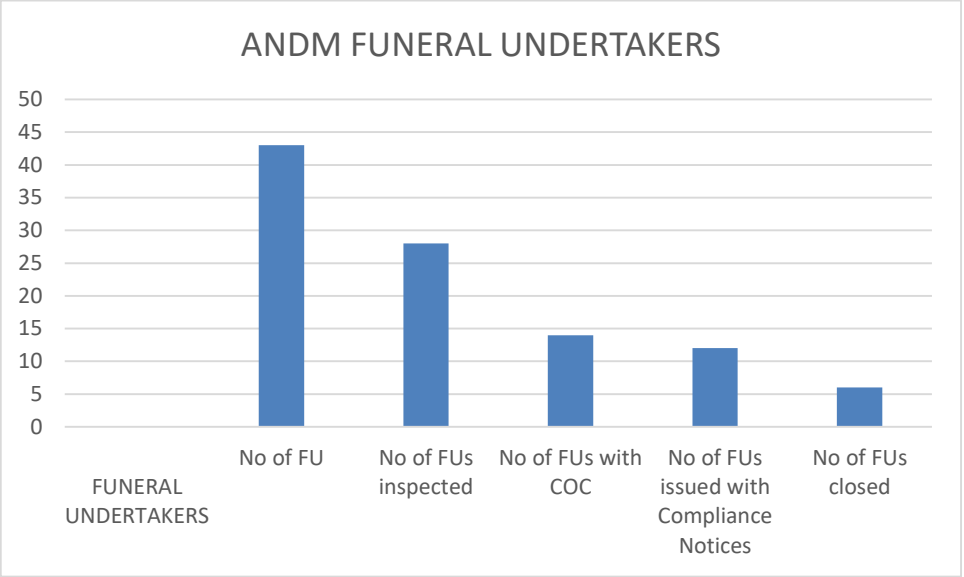
A. INSPECTIONS OF FUNERAL UNDERTAKERS INCLUDING FORENSIC MORTUARIES

At Alfred Nzo we have 43 Funeral Undertakers that are inspected by EHPs mandated by Regulation R363. Private funeral parlous have started to comply with Regulation 363 National Health Act 61(No 61 of 2003), and as a result they are encouraged to apply for Certificates of Compliance.
In the District we have 46 funeral undertakers (including Private, Hospital Mortuaries and Forensic Pathology Laboratories); and they are stipulated graphically below.

ANDM FUNERAL UNDERTAKERS OPERATIONS/ INSPECTIONS 23/24

No of FU	35
No of FUs inspected	35

No of FUs with COC	13
No of FUs issued with Compliance Notices	12
No of FUs closed	3



Forensic Pathology Services (being government facilities) have been stuck with unclaimed corpses, but after the active intervention of EHPs, the tables have turned for the better now, as these mortuaries are starting to comply with minimum health requirements.

Engagement was held with Provincial Office and challenge of overcrowded Forensic Mortuaries was discussed and action plan to be undertaken by the Eastern Cape Dept. of Health was done with a time frame of end 2024

PICTURES: ANDM FUNERAL UNDERTAKERS

B. Monitoring of exhumation and Interment processes

Through intensive awareness's, application for exhumations have increased, and this is also required by compliance with health requirements as well applications received and processed. Environmental health awareness on processes followed when conducting exhumation and interment of dead bodies.

In 23/24 exhumation applications are more than ***17,*** and awareness's conducted.

It is very rare for an exhumation process not to be emotionally and psychologically disturbing, as these applicants sometimes arrive desperate.

EHPs have to deal with that 1st, and by the time we take her/ him step by step in the process she is better, and also we re-assure her that she came to the right place, most of them even appreciate the government saying that they still do have positivity in their government. Needless to say that EHPs get distraught (psychologically and empathetic)

Chemical Safety

Capacity building on hazardous substances has been done and this has also improved management on sale of organophosphate without authorization.

At the same time, awareness campaigns are conducted in our community engagements where the importance of proper labeling is over-emphasized. In most instances our communities are careless when it comes to proper storage of chemicals, and this gets worsened by poor labelling thereof.

Environmental health investigations and education on chemical poisoning (with specific reference to organophosphates) is being conducted on a community awareness level

Ongoing education on impact of lead in toys is being done, though there is still a major challenge of credible suppliers. This is still in a process of being researched.

Awareness done to hawkers in pay points on dangers of decanting and improper labeling

Chemical poisoning: Notifications of deaths and cases have been received from the health

facilities and individuals on organophosphate poisoning. Investigations have been done to this effect, and a lot of improvement has been noted, hence the award-winning project that has been earned as ANDM.

A project emanating from the admissions and thereof notifications of cases/ deaths due to the Organophosphate poisoning triggered the MHS to embark heavily on a prevention and awareness program for

These said cases and deaths, and it really needed government intervention at all levels as the death rate was higher than before. Education, as ongoing as it is, but seems to have an effect in the minimization of these types of poisoning as there is considerable decrease in number of cases reported this year

Surveillance & Prevention of Communicable Diseases

Awareness on prevention of communicable diseases has been done. This assisted in increase on notification of these communicable disease (especially dog bites) and the improvement on cases that have finalized their rabies treatment proves beyond reasonable doubt that our people are taking dog bites seriously now.

It needs to be noted that despite the circumstances indicating that COVID-19 is extinct, but there are sporadic cases where it is probable that there could be something.

Vector Control

Evaluation on businesses and government institutions relating to prevention of occurrence of vectors (and as a result we do not have a challenge of Alexandra rodents in ANDM and this is because our businesses are preventing the occurrence of vector harborage.

Nevertheless in the audit tool, it is highly necessary that we get to be prepared for the vector outbreak that might surface at any given point in time, hence the need to have a vector control plan.

Vectors are not that much of a train-smash, if the yards (schools, ECDs, households, govt and private facilities, businesses, etc.) are kept clean. We get very concerned when it comes to children who playing grass filled areas as this is very dangerous on them, also it attracts a lot of vectors.

World Environmental Health Day Commemoration

This programme is already underway, and although it has never been easy but there is a lot of progress that has been carried out by MHS, GIS and ICT to facilitate and FastTrack the implementation of this programme

To work smarter and less hard is an opportunity that has been introduced by 4IR. It is based on this

capacitation that an arrangement was reached where ANDM MHS, GIS and ICT visited Ehlanzeni DM where we benchmarked all their best practices

This programme is planned to assist in collating information and reporting from a coordinated style

BENCHMARKING OF ENVIRONMENTAL HEALTH INFORMATION SYSTEM IN EHLANZENI DISTRICT MUNICIPALITY (EDM)

To work smarter and less hard is an opportunity that has been introduced by 4IR. It is based on this capacitation that an arrangement was reached where ANDM MHS, GIS and ICT visited Ehlanzeni DM where we benchmarked all their best practices

This programme is planned to assist in collating information and reporting from a coordinated style.

Service Statistics for Municipal Health Services

Food Safety and Control

180 food premises were inspected for this period and 180 food safety awareness's covering the critical areas of the population

Raids (inclusive of food outlets) are conducted almost every month. This assists to remove expired and spoilt food products from the shelves. More than 10 raids have been conducted. Inspections of businesses (rural and urban) went over 170 with the assistance of SAPS and LMs

Environmental Health Awareness

38 awareness program conducted on: surveillance and prevention of communicable diseases.

Prevention), environmental pollution control (inclusive of air quality and climate change adaptation), chemical safety, vector control and disposal of the dead/ management of human remains

PHOTO: ENVIRONMENTAL HEALTH AWARENESS

Health surveillance of premises:

102 government institutions (schools, prisons, SAPS, hospitals, clinics, ANDM Office Buildings) and 38 funeral undertakers were inspected and reports are always discussed with relevant authorities so as to improve compliance

These inspections seek to improve the facilities management, for the betterment of services rendered to our communities (irrespective of culture, financial status, etc.)

SECURITY AND SAFETY

Fire and Rescue Services

Fire and Rescue Services is a unit under Community Development Services Directorate, responsible for ensuring the safety of ANDM community and visitors by; providing effective emergency response services and quality prevention and education programmes that will minimize loss of life and property resulting from fires and other emergency situations.

The Fire and Rescue Service Unit is organized into four divisions namely, Management and Administration, Fire and Rescue Operations Division, Fire Safety and Support Services and In-house and Public Education Training. Each division has functional sections which are responsible for the accomplishment of specific functional goals and objectives.

THE DIVISIONS FIRE AND RESCUE SERVICES

The Management and Administration division is responsible for all management and administrative functions in Fire and Rescue Services unit. It is therefore responsible for:-

a) Budget management and control thereof,

b) Fire and Rescue services resources management,

c) Establishing organizational principles and processes and providing motivation and discipline.

d) Monitoring, management of performance and risk management, to ensure excellence of service delivery, safe and healthy environment for all communities.

The Operations Division is responsible for fire suppression and different types of rescue operations and is the backbone of the Fire and Rescue Service. The key objective of the division is to ensure that the Fire and Rescue Service is always prepared to provide a 24 hour uninterrupted fire and rescue response to all members of the community. The functions of the KPI include:-

a. fire scene size-up, suppression, preservation of evidence and dumping down and the Entire Incident Management System

b. respond to different types of rescue operations which include motor vehicle extrication, swift water rescue operations, high angle rescue operation and trench collapse rescue operations

c. Respond to hazardous material and spillages,

d. Urban search and rescue in disaster incidents,

e. Operational risk familiarization and public fire education in partnership with other service divisions or stakeholders.

f. This division also include Fire and Rescue Communications Control Center

which is responsible for handling emergency and non-emergency calls, dispatching and escalating incidents to relevant authorities and stakeholders.

- The Communication Control Centre has handled 401 emergency calls and dispatched response vehicles/teams to such incidents.
- Through optimal utilization of resources the Fire and Rescue services has promptly respond to 220 fire related incidents, saving lives and property, thus, ensuring stability in the district economy.

Above: ANDM – Fire and Rescue Services -Saving live s and Property on busy N2 Route – August 2023

Below: The Runaway veld fires in Umzimvubu LM rural wards 04 and 05 in September 2023 veld and forest fire incidents.

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Fire Safety & Support Services

The Safety and Support Services Division is primarily responsible for the achievement of two main activities namely:-

Code Application –

1) Appraisal and signing off of Building Plans

2) Perusal of Flammable liquid Storage Plans

3) Site inspections during building construction and Flammable Liquid site inspections,

4) Inspection and issuing of Hazardous Chemical and Flammable Liquid license discs to complying different transportation modes

5) Facilitate registration of Hazardous Chemical and Flammable Liquid Storage facilities.

Code Enforcement –

1) Routine inspection of Hazardous Chemical and Flammable storage facilities

2) Routine inspection of Hazardous Chemical and Flammable Liquid transporting vehicles

3) Routine Occupancy inspections for compliance with Fire Safety Standards and by- laws (once annually and sometimes more often depending on circumstances or special risks).

4) Fire Prevention/Liaison to ensure that the Operational Section/personnel are made aware of special risks or high risk areas for their safety during incidents.

5) Certification of event facilities (temporal or permanent) in compliance with Safety at Sports and Recreational Events Act (Act 2 of 2010)

6) By-Law enforcement

- *A total of 255 occupancies have been inspected resulting into the registration of 72 flammable liquid and Hazardous Chemical handling sites and production of reports thereof.*
- *A total of 50 notices and recommendations were issued to the non-compliant business sites.*
- *Out of 62 building plans that were scrutinized, 45 have been approved and 13 have been referred back to architects for inclusion of all required fire safety features per proposed occupancy. 05 Buildings plans were rejected due to non-inclusion of Fire Protection Plans in submitted drawings.*

In-house and Public Education Training

1. The Training section is primarily responsible for the professional and continual skills development of fire-fighters and for public fire and life safety education to achieve preparedness and community resilience.

2. The Section focuses on:-
    a. Conducting in-hose training once a week at every Fire Station
    b. Facilitate development and training of Community Emergency Response Teams
    c. Facilitate the development of Fire Protection Associations
3. Conduction of Integrated Fire and Life safety Awareness campaign to Schools and other community centres

Above: Continued fire education to Schools, clinics, traditional leaders Head Centers

Project Name	Project Status
Fire and Rescue Services Rapid Response Vehicle	An order has been issued to Toyota for procurement of 05 double cabs Rapid response vehicles. Fire and rescue services Terms of Reference for procurement of Skid units and branding in line with municipal branding and fire and rescue couloirs.
Repairs and Maintenance of Equipment	Four Skid Units are at Derricks engineering for minor repairs, and we are waiting for a quotation to be sent to fleet. Two Chainsaw as are also sent for service and we are waiting for a quote from Derricks Engineering to send to fleet office Fire Engine of Matatiele is on repairs at Man Workshop Fire Engine of KwaBhaca Centre also and Repairs at Pine Town due to a Leak on the main Fire tank. Major service to HMP 048 EC and its barkie sakkie and fitted two new tyres Service KBM 674 EC at 30 000 kilometres
Fire and Rescue Services Station Wear and Uniform and Protective clothing – Fire Gear	Project has been re-advertised
Fire and Swift Water rescue and Firefighting Equipment	Equipment has been and delivered
Fire and Life Safety Awareness's	10 Fire Awareness's conducted in Umzimvubu LM at Ward 07, Ward 08, Ward 26 and ward 10 of Ntabankulu LM and three in Matatiele LM at ward 21 and ward 24 at Ntlola and Nkawulweni Villages.

	Awareness's should be consolidated as a District and be sent to the province. Storm Water Maintenance and Management plan
District fire Safety master plan **Development and Fire Safety Inspections**	Project on the evaluation stage 20 Fire safety inspection conducted, and Flammable certificates issued
CERT **Fire Protection Associations**	1. Handed over fire beaters to ward 03 and 20 of ULM and ward 21 of Matatiele LM and ward 06 and ward 13 of Ntabankulu LM Additional 140 fire beaters are to be procured for other wards that requested, Spec to be signed and submitted to Supply chain on 20/08/2024 2. Community Emergency response teams have been formed and are to be clustered and be part of Fire protection Associations 3. Budget has been put aside for assisting re-establishment and registration of Fire Protection Associations of the District.
Emergency Communication Centre	Specification for Standby generator approved and will be advertised on seven-day notice board.
Human Capital Resources	Fire Services Manning Levels as per SANS 10090 Currently there are 62 Fire and Rescues services We are running five stations **UMZIMVUBU** **EmaXesibeni** – Serving also as the Main Station **KwaBhaca** – Four Shift but only two and three firefighters per shift **Ntabankulu** - Town -Two Firefighters per shift **Winnie Madikizela Mandela** Bizana Town Two Firefighters per Shift **Matatiele** **Maluti Station** - Two fire fighters per Shift Each station is manned for 24 hours. Challenge: Each Shift should at least be manned with 07 members to accommodate

	the second turnout, but for now due to delays on recruitment processes we operate with two fire firefighters per shift. In 2014 we had an accident at Matatiele and one of our firefighters got injured and She became incapable to work on active Fire Sence In 2020 we had one of our firefighters injured on the fire sence and She is now incapable to work on the fire Ground. Chief Fire Officer post has been left vacant and it has been advertised and is expected to be filled before December 2024 Director Community development Services is the Acting Chief Fire Officer. One Firefighter has resigned in Kwa-Bhaca Station, and the post has not yet been advertised. Station Commander from KwaBhaca is due to retire on the 01 October 2024. Two f firefighter positions have been advertised Four Platoon Commander jobs are to be shortlisted soon. **Location of the Stations**: There is a proposal that we relocate the fire station to Matatiele Town due to challenges that come with Maluti location of the station. More Stations are to be established.

DISASTER MANAGEMENT

Alfred Nzo District Municipality Disaster Risk Management Unit is responsible for the following KPA's namely an integrated institutional for disaster risk management, risk assessment, risk reduction, response and recovery.

This forms part of our endeavors aimed at sustainable communities and creating resilience to the communities of Alfred Nzo District Municipality.

Disaster risk management is a multi-disciplinary, multi-sectoral integrated and uniform process of planning that focuses on the prevention and reduction of risk of disasters, mitigating their severity, ensure emergency preparedness and also provide for the rapid response to disasters and post-disaster recovery.

Here are the projects for the year under review:

Table 39: 2023/24 Projects	
KPA	**PROGRAMS**

Integrated institutional capacity for disaster risk management	Sitting of the District Disaster Management Advisory Forum (4X quarterly) including emergency response management task team. Capacitated disaster management stakeholders on their role in disaster risk management Capacitating disaster management practitioners through accredited disaster management short courses supported by Santam and Old Mutual in enhancing their (Disaster management practitioners) knowledge in the field and improving their implementation strategies in managing disasters.
Disaster Risk Assessment	The inspection of public and private institutions that are utilized by the public such as government buildings, schools and health care centres to determine the nature and extent of disaster risk by identifying potential hazards, vulnerabilities and potential impacts of disaster Conducted a district wide scientific risk assessment which provides for the understanding and addressing of disasters through informed mitigation strategies. Conducted 04 continuous risk assessments across the district.
Disaster Risk Reduction	Disaster risk reduction programmes are aimed at preventing and mitigating adverse impacts disasters such programmes include, Conducting public awareness campaigns to capacitate traditional leaders, ward committees school learners and the communities about the hazards and risk they are faced with to ensure preparedness of communities of potential disasters The sittings of Joint Operations Committee to manage prevailing hazards that may be a threat to the communities. Conducted 80 awareness campaigns across the district according to identified hazards.

Disaster Response and Recovery	Procurement of relief material relief material to support affected families and individuals by disaster incidents. Responding to disaster incidents caused by inclement weather conditions such as heavy rains and thunderstorms, hailstorm and strong winds and other man-made disasters like veld and structural fires by conducting damage impact assessments across the district in all four local municipalities. Assist with relief material, which comes in various forms i.e. food hampers, blankets, mattresses, clothes and vouchers. Report and advice to the relevant sector departments of the damages caused by the hazards mentioned above to seek assistance for the affected communities. Disaster Management Centre assisted 1188.
SERVICE STATISTICS FOR DISASTER MANAGEMENT	
TYPE OF INTERVENTION	**NUMBER**
Declared disasters	0
Households assisted with disaster relief material	1188
Awareness campaigns	In the year under review, the unit managed to conduct **80** awareness campaigns.

CAPARCITY BUILIND WITHIN THE UNIT

Description	**Number undertaken**
Capacity building/training (number of beneficiaries)	34
Institutional capacity (advisory forum)	4
Disaster risk plans developed (Disaster Risk Management Plan, Disaster Management Policy Framework and Risk Assessment)	04 Contingency plans developed

CU

- The Customer Care Unit is a dedicated unit within our district municipality, under the department of Community Development Services (CDS) and it serves as the primary point of contact for residents and an array of customers ranging from rate payers, service providers , government departments and any other person or organization in need ANDM services. It is responsible for managing customer communication, addressing complaints, resolving issues, and providing information related to municipal services.

- Customer care unit was established in line with the following legislative prescripts.

- The Constitution of the Republic of South Africa of 1996, Section 152

- The Local Government: Municipal Systems Act 32 of 2000,

  -Chapter 9, Section 95(a) stipulates that: a municipality must within its financial and administrative mandate establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for payment of services and the municipality

- Batho Pele Principles underpinned in the White Paper on The Transformation of Public Service (1995) which promotes a culture of People first in the delivery of services
- The 2016 White Paper on Safety & Security (WPSS) promotes an integrated and holistic approach to violence prevention and advances a 'whole of government' approach to strengthening community safety.

- The operations of Customer Care unit adhere to the following key principles:
  - ❑ Responsiveness:

Addressing and resolving customer inquiries and concerns.

  - ❑ Transparency:

Providing clear and accurate information about municipal policies and services.

- ❑ Accessibility:

Ensuring that all residents have easy access to the Customer Care Unit through multiple communication channels- telephonically, walk inns, in writing and social media platforms

- ❑ Proactivity:

Anticipating and addressing potential issues before they escalate- This is achieved through ongoing collaborative customer care awareness's, community education and period customer satisfaction surveys

- Customer Care Unit is responsible for the following Key Performance Areas;
  - Manage and direct the operations of customer service through the identification of needs, perceptions, and requirements within and outside the organization,
  - Examining and reviewing current Public education strategies to address awareness and relationships,
  - Co-coordinating and implementing interventions and initiatives and, providing advice and guidance on the development of effective, professional, and sustainable approaches with respect to positioning Alfred Nzo District Municipality favorably within the local community and broader sector.
  - To effectively manage all Customer queries and complaints through efficient management of the call center, reception and all ANDM satellite offices
  - To plan, manage, coordinate and implement district wide crime prevention programme
  - To plan, manage and coordinate district –wide Presidential Hotline Programme
- The following targets were planned for 2023/24 financial year:
  a. Conduct 1 Customer care day for Matatiele Local Municipality
  b. Provide support to Support to four Local Municipalities in the implementation of their respective community safety plans and to revive district Community safety forum
  c. Honoring public – To coordinate and facilitate official launch of the Public Service Month
  d. Conduct six customer care awareness campaigns throughout the district
  e. Conduct two customer care etiquettes workshops for satellite staff
  f. 100 % Effective management of reception section, satellite offices and the call center
  g. 95 % of Presidential hotline cases resolved.

HIGHLIGHTS OF THE PROGRAMS IMPLEMENTED BY CUSTOMER CARE DIRECTORATES DURING 2023/24

1. Customer Care Day

1. On the 13th 0f March 2024, ANDM through customer care unit, conducted customer care day for wards, 19, 20, 1 and 2 of Matatiele LM.
2. This prestigious event was led by the late MMC for Community Development Services: Hon. Cllr M. Mbedla (MHSRIP) and his standing committee, graced by the presence of Exco member for Community Services of Matatiele LM and respective local Councillors.
3. A comprehensive package of on on-site information and service delivery services was successfully rendered by the following department and partners collaborating with ANDM; SASA, FNB Bank, Capitec Bank, DSD, IEC DHA , EMRS including all ANDM service offices
4. This was indeed one of the success stories of the district municipality.
5. The event also yielded economic spin offs to the locals as local transport was utilized to take community members from the respective wards to the event venue and the caterers for 500 people were sourced locally.

2. Support to local municipalities towards implementation of their respective community safety plans and to revive one district community safety forum

Integrated Community safety raid

1. On the 13th of February 2024, an integrated community safety raid was conducted at KwaShinta intersection.
2. This was a highly effective activity that led to inspection more than 200 vehicles, suspension of a bus, charging of more than twenty vehicles and inspection of 8 shops, closed 3 and condemnation was done to most of the shops.
3. This could not have been achieved without the leadership of MMC – CDS, Hon Councilor M Mbedla and Portfolio Head for Citizens of Community services of ULM-Hon Cllr Mdzinwa.
4. The integrative approach by law enforcement stakeholders ranging Provincial DOT, ULM, ANDM, Fire & Rescue Services, EMS,ANDM communications and Customer care proved to be yielding good rewards for the programme

Launch of District Community Safety Forum

1. On the 5th of December 2023, a multi- stakeholder District Community safety Forum was officially revived in the form of the launch at Wild Coast Sun.
2. This yielded a very high level of success as it ripped the fruits of contribution by esteemed stakeholders such as the Provincial HOD of the Department of Community safety, SALGA, government departments throughout the district.
3. Political leadership led by Hon Cllr M Mbedla-MMC CDS was well represented while the Municipal Manager led administrative representation of ANDM and the family of municipalities within the district.

4. The CPFs were represented by their respective district Chairperson.
5. The wealth of information that was shared gave light to several prospective efforts to towards a safe and crime free District.
6. A pledge of commitment was signed by all the CSF stakeholders in attendance conducted.

Above: Photos taken from the launch of District Community Safety Forum at Wild Coast Sun

3. Honoring Public service month

1. Public Service month was launched on the 08 September 2023 at Umzimvubu LM, Siyakhana Child and Youth Care Centre.
2. The launch was marketed and communicated with ANDM populace through the Community radio stations where, the MMC for Community Development Services, Honorable Cllr M .Mbedla raised awareness about Public Service Month (PSM)
3. The launch of the Public Service Month was used as a platform for the Municipal leadership to table a series of activities that were and are to be carried out by government throughout the district during the month of September in honour of the Public Service Month (PSM)
4. The Program provided an opportunity to identify service delivery gaps and to agree on strategies to be used to bridge those gaps.
5. The event was graced by the presence of the Mayor of Umzimvubu LM, District Councillors, Cllrs from ULM, Board members of Siyakhana Child and Youth Care Centre, District Director from COGTA, DEDEAT and other government departments within the district.
6. As part of the launch of the PSM, Executive Mayor closed the session by proceeding to Siyakhana CYC where he handed over a re-modelled kitchen unit and 42 backpack bags with sanitary conveniences.
7. The gesture left the centre stakeholders very elated by the strides of the district Municipality as such, a thank you letter has been written by the Centre Management to the office of the Executive Mayor.

Customer care Awareness Campaigns

8. The target for customer care awareness campaigns was six however the actual campaigns conducted were twelve and this was based on the demand for services by the communities.
9. Most of the awareness were conducted in collaboration with government departments with the district and banking services.
10. Some of these initiatives took a shape of integrated services on wheels and were highly appreciated by ANDM customers(communities)

1. **Presidential Hotline**

Alfred Nzo District Municipality managed to resolve 98% of reported cases through the Presidential Hotline against 95 % provincial target.

2. Conduct customer care etiquettes workshops for all satellite staff throughout the district

The primary objectives of the workshop were:

- To equip staff with the necessary skills to handle customer interactions professionally.
- To enhance the overall customer experience at the Matatiele Satellite Office.
- To foster a culture of respect and responsiveness towards customers.
- To improve communication skills among staff members.

The following aspects were covered during the workshops;

1. Introduction to Customer Service
    a. Importance of customer service in municipal operations.
2. Understanding customer expectations.
3. Effective Communication Skills
4. Verbal and non-verbal communication.
5. Active listening techniques.
6. Handling difficult customers.
7. Professionalism in Customer Service
8. Maintaining a positive attitude.
9. Time management and punctuality.
10. Personal appearance and hygiene.
11. Problem-Solving and Conflict Resolution
12. Identifying customer issues promptly.
13. Techniques for resolving conflicts amicably. Escalation procedures.
14. Role-Playing and Practical Exercises
15. Real-life scenarios and role-playing exercises.
16. Group discussions and feedback sessions.

Key Highlights

1. The staff actively participated in role-playing exercises, which helped them practice and reinforce the concepts learned.
2. Several real-life scenarios were discussed, and staff members provided valuable insights based on their experiences.

3. The workshop emphasized the importance of empathy, patience, and maintaining a calm demeanor when dealing with customers.

Feedback and Evaluation

1. The feedback from the participants was overwhelmingly positive. Here are some key points from the feedback forms:
2. 90% of participants felt more confident in handling customer interactions.
3. 85% appreciated the practical exercises and found them beneficial.
4. 80% expressed interest in attending similar work

Four workshops on customer care etiquettes were conducted for employees of four satellite offices

COMPONENT D: SPECIAL PROGRAMMES UNIT

Introduction

Special Programmes Unit (SPU) is located in the office of the Municipal Manager administratively and Office of the Executive Mayor politically and is responsible for mainstreaming and advocating for previously disadvantaged groups, i.e. children's development , youth, gender, older persons, people with disability and HIV & AIDS. Special Programmes coordinates and implement municipal programmes related to the vulnerable groups. The unit advises the municipality in policy development and other strategic documents and programmes to favor the above-mentioned groups.

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of women, men, youth, children, senior citizens and people with disabilities. When the President announced the Ministry for Women, Children and People with Disabilities in May 2009and proclaimed the establishment of the department in July 2009, he emphasized the need for equity and access to development opportunities for the vulnerable groups in our society.

The Special Programmes (SPU) Unit aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of crosscutting issues, of which a blind eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a

critical role to play in the effectiveness of this psychologically tuned mandate.

PROGRAMMES COORDINATED DURING 2023-2024 FINANCIAL YEAR

District Youth Development and Transformation programmes

I. Youth Forum
II. Youth Skills Development
III. Youth out reach
IV. 4IR Support
V. Grade 12 Achievers Awards
VI. Career Exhibition
VII. Provision of Support
VIII. Youth Coops Support

HIV &AIDS, TB Programmes

Awareness Programmes

I. She conquers Campaign
II. World AIDS Day
III. Condom Week
IV. World TB Day
V. Candle Light Memorial

Care and Support Programmes

I. DAC Meeting
II. Civil Society Support
III. PLWHA's Support
IV. CBO Support

District Gender Programmes

I. Men in Partnership against HIV/TB Workshop
II. National Women's Month
III. Men in Partnership Against gender Based Violence
IV. Gender Awareness on GBV
V. 16 Days of Activism
VI. International Women's Month
VII. Women Project Support
VIII. Gender Empowerment programme

District Children's Development Programmes

I. Early Parenting Indaba
II. Sanitary Dignity Campaign
III. OVC Christmas
IV. Children Agricultural Development
V. Back to school Support
VI. Awareness on Substance Abuse
VII. Child Protection Week
VIII. ECD Support Programme

District Disability Programmes

I. Disability Forum

II. Activation programme
III. Disability Awareness
IV. Assistive Devices programme
V. Disability Schools Achievers Awards
VI. Special Schools Assistance
VII. Disability Awareness
VIII. Deaf awareness

Older Persons Care and Support

I. Older Persons project support
II. Economic Empowerment
III. Older Persons month Commemoration
IV. Older Persons fun day
V. Awareness on Older Persons Health care
VI. Awareness on Older Person rights
VII. Winter warmth programme
VIII. Older Persons Dialogue

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART 2)

COMPONENT A: MUNICIPAL WORKFORCE

The municipality has been structured in terms of six (6) departments linked to National Key Performance Areas (NKPAs). These departments are structured in terms of different functions in terms of Schedule 4 and 5-part B of the Constitution (1996). The municipality on an annual basis review the IDP perform budget planning, review IDP sector plans and policies based on the specific functions of the municipality. Corporate Services department is responsible for organizational development performance, rendering support to other business units of the municipality in order to effectively deliver services to the community.

Infrastructure Development and Municipal Services

The IDMS department performs the following functions:

1. Responsible for supply of water and sanitation management
2. Responsible Water and Sanitation Infrastructure development and management of related Grants.
3. Responsible for Project Management and administration of MIG funding system.
4. Responsible for Water Conservation and Demand Management.

Community Development Services

The CDS department performs the following functions:

1. Responsible for municipal Health services
2. Manages Customer care and social development

3. Manages Sport Art and culture, Recreation, Heritage and Museum
4. Manages Thusong Services Centre

Planning and Economic Development

The PED department performs the following functions:

1. Responsible for Agriculture, Forestry, Mining and Tourism
2. Responsible for manufacturing and trade
3. Responsible for development of business services.
4. Manages Geographical Institutional Spatial (GIS) system

Office of the Municipal Manager

The OMM department performs the following functions:

1. Oversee the Administration and implementation of Municipal By-Laws and other legislations
2. Responsible for implementation of Council Resolutions and subsequent reporting
3. Oversee the implementation of the Municipal IDP and OPMS
4. Responsible for financial governance of the municipality

Budget and Treasury Office

The BTO performs the following functions:

Corporate Services

The CPS department performs the following functions:

1. Ensure Organizational development through Training developments for municipal personnel
2. Responsible for Employee Wellbeing, Health and Safety
3. Manages conditions of services, leave administration and payroll
4. Responsible for implementation for Performance management system
5. Responsible for Administrative Support and Security Services
6. Responsible for development and implementation of ICT Strategy and Systems

Snapshot of the Workforce Profile in Percentages against EAP in the EC Top Management

	Male				Female				Foreign National		Total
	A	C	I	W	A	C	I	W	Male	Female	
EC EAP	39.9 %	7.7 %	0.4 %	5.7 %	35.5 %	5.5 %	0.4 %	4.8 %	0%	0%	100%
ACTUAL	1	0	0	0	0	0	0	0	0	0	1
%	39.9 %	0%	0%	0%	0%	0%	0%	0%	0%	0%	39.9 %

COMMENTS: At this level, we only have one position and there are only two options (it's whether the Municipality employs the Male or Female from whichever Population Group) but it will always be at a 100% of the employee's Population Group and Gender who is currently at the employ of the Municipality. The Municipality has to consider people with disabilities at some stage at this level.

Senior Management

	Male				Female				Foreign National		Total
	A	C	I	W	A	C	I	W	Male	Female	
EC EAP	39.9 %	7.7 %	0.4 %	5.7 %	35.5%	5.5 %	0.4 %	4.8 %	0%	0%	100%
ACTUAL	3	0	0	0	1	0	0	0	0	0	4
%	29.9 %	0%	0%	0%	8.88 %	0%	0%	0%	0%	0%	38.8%

COMMENTS: At a Senior Management level there is an over representation in African Males with 75% compared to 39.9% by EAP provisions. This therefore indicates that the Municipality has to consider balancing when refilling the position left by any Senior Manager.

Middle Management and Professionally Qualified

	Male				Female				Foreign National		Total
	A	C	I	W	A	C	I	W			
									Male	Female	
EC EAP	39.9%	7.7 %	0.4 %	5.7 %	35.5 %	5.5 %	0.4 %	4.8 %	0%	0%	100 %
ACTUAL	8	1	0	0	10	1	0	0	0	0	20
Middle Management	40%	5%	0%	0%	50%	5%	0%	0%	0%	0%	100%
%	15.96%	0.39 %	0%	0%	17.75 %	0.28 %	0	0	0	0	34.38 %
COMMENTS: According to the table above it really shows that Indian's Population Group and White Females are not represented at all. The Municipality has to address the overrepresentation and underrepresentation by bringing down the overrepresented Population Group and Genders and try to accommodate other Population Group. The municipality should address the matter by Sticking to its Employment Equity Plan targets each year of reporting.											

Staff Turnover

This subsection provides an analysis of Staff turnover comparing the period 2022/23 and 2023/24 as at the Med-Term. This analysis is necessary for the leadership and management to have insight of human capital dynamics to develop effective monitoring and intervention strategy to prevent fluid Staff Turnover in the municipality.

Year	Employees	Reason

	Number	Better Offer	Dismissed	Retirement	End of contract	other
2022/2023	556	08	Nil	04	Nil	05
2023/2024	558	10	Nil	04	10	06

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Section 67 of the Municipal Systems Act requires the Municipality to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personal administration including but not limited to items mentioned from table below. Systems in the Alfred Nzo District includes service conditions of the staff, recruitment and selection, succession and career pathing, promotion and retention of staff, transfer and acting systems and procedures, training and development, remuneration and performance management, affirmative and employment equity.

Human Resources Systems are vehicles to ensure efficient management of the workforce. Gender parity can only be achieved through implementation of affirmative action as required in terms of Employment Equity Act No. 55 of 1998. The Employment Equity Act also requires that employment equity be maintained in human resources management such as, staff placed in lower or higher positions without proper processes followed, underpayment. The successful delivery of services is dependent on the staff that strictly adhere to the Batho-Pele Principles. The strict adherence to legislation, Policies, Batho-Pele Principles, means that all municipal staff should be competent, professional, impartial, sensitive, compassionate, dedicated, and committed.

HR POLICIES AND PLANS

CPS developed Policy Review Process Plan for the period 2023/24. All CPS Units consulted their respective employees on policy review for consolidation of inputs. Departmental Meeting were convened to allow CPS employees to engage on departmental consolidated policy review proposals. Departmental Strategic Planning and LLF were convened to give chance to Trade Unions and members of the Portfolio Committee an opportunity to make inputs on the consolidated departmental policy Review Proposal. Policy Conference was convened for consultation with council structures and Council approved HRM policies.

The policies, strategies, plans and standard operating procedures, which are listed in the table below, continuously are reviewed in order to ensure their relevance and compliance with the developments and amendments to legislations, regulations, and SALGBC collective agreements. These policies were approved and adopted by Council during 2023/2024 fiscal year.

HRM & DEVELOPMENT

Policy	Status	With/Without Changes
Training and Development policy	Review	Reviewed with changes
External Bursary Policy	Review	Without changes
Individual Performance Management Policy.	Review	Without changes
Recruitment & Selection Policy	Review	Reviewed with changes
Cell phone Policy	Review	Without changes
Acting appointment policy.	Review	Without changes
Dress Code	Review	Without changes
Human Capital Strategy	Review	Without changes
Dress Code	Review	Without changes
Human Capital Retention	Review	Without changes
Inclement weather	Review	Without changes
Induction Policy	Review	Without changes
Leave encashment Policy	Review	Without changes
Leave Policy	Review	Without changes
Bereavement Policy	Review	Without changes
Organisational Establishment Policy &Job Evaluation	Review	Without changes
Overtime Policy, work on Sunday & Public Holidays	Review	Without changes
Shift Allowance Policy	Review	Without changes
Termination of Service Policy	Review	Without changes
Remuneration Policy	Review	Without changes
Stand By Policy	Review	Without changes
Code of Conduct for Employees	Review	Without changes
Placement Policy	Review	Without changes
Wellness Policy	Review	Reviewed with changes
Consequence Management Policy	Review	Without changes
Experiential policy	Review	Without changes
Stand By Policy	Review	Without changes
Travelling and Subsistence Policy	Review	Reviewed with changes
Occupational health & safety policy	Review	Reviewed with changes
Car allowance policy	Review	Reviewed with changes
Records Management	Review	Reviewed with changes
Security Services Policy	Review	Without changes
Auxiliary Services Policy	Review	Without changes
Printing Management Policy	Review	Without changes
Physical Access Control System- Policy	Review	Without changes
Allocation Of Movable IT devises	Review	Without changes

Asset Management Policy	Review	Without changes
Backup and Restore Policy	Review	Without changes
Broadband Strategy	Review	Without changes
Business Continuity Management Policy	Review	Without changes
Business Continuity Plan	Review	Without changes
Business Impact Analysis	Review	Without changes
Change Control Policy	Review	Without changes
Cyber Security Policy	Review	Without changes
Data Protection Policy	Review	Without changes
Disaster Recovery Policy	Review	Without changes
Firewall Policy	Review	Without changes
ICT Governance Chatter	Review	Without changes
Governance of ICT Framework Policy	Review	Without changes
Information Security Policy	Review	Reviewed with changes
Interface Policy	Review	Without changes
Network Infrastructure Management Policy	Review	Without changes
Operating System's Policy	Review	Without changes
Operational Level Agreement (OLA)	Review	Without changes
Patch Management Policy	Review	Without changes
Portfolio Management Policy	Review	Without changes
Project and Portfolio Management Policy	Review	Without changes
Remote Access Policy	Review	Without changes
ICT Risk Management Policy	Review	Without changes
ICT Service Catalogue	Review	Without changes
Spam Policy	Review	Without changes
Suppliers Performance Monitoring Tool	Review	Without changes
ICT Third Party Management Policy	Review	Without changes
Training & Awareness Policy	Review	Without changes
User Access Management Policy	Review	Without changes
Virtual Private Network (VPN) Security Policy	Review	Without changes
Wireless Communication Policy	Review	Without changes
Strategy/Framework		
Cyber Security Strategy	Review	Without changes
ICT Strategy	Review	Without changes
Master Systems Plan	Review	Without changes
Risk Management Framework	Review	Without change s
Security Services Framework	Review	Without changes
By-Laws		
None		

Occupational Health and Safety

Occupational Safety and Health Inspections were conducted during the financial year and targets were achieved and periodic medical examinations were conducted. Compliance notices were also issued to different departments. COIDA fees were also paid during the period under reporting. Fire Extinguishers were serviced as required to ensure they remain effective.

Employee Wellness

Five (5) Employee Wellness awareness programmes were conducted.

Career Exhibition

The municipality supported Winnie Madikizela Mandela LM and Umzimvubu LM on their career exhibition programmes and funding different segments of their respective programmes.

Individually Municipal Performance Management System

Performance Agreements of section 54 and 57 submitted to CoGTA 03rd August 2024 and further placed on the Municipal Website. Performance Agreements for line managers were submitted. Only two Performance Agreements not submitted: Manager Ms. Cezu and Manager Mr. Makiwane. The Head of the Department requested the two to be exempted in the process till placement is finalized. Task 3 to Task 13 Employees submitted.

Mid Term and Annual assessments 2023/2024 coordinated, none of the Managers attended.

Mid-term and Annual Assessments for TASK Grade 3-13 Coordinated and attended as follows: OMM- None, BTO- None, PED all attended, CPS 14 employees attended, CDS 18 Attended IDMS 66 Attended

PMS workshop equipping all managers was successfully conducted on the 22 to 24 January 2024.

Employee relations matters

- Twelve (12) LLF meetings were organized.
- Seven (7) Employer/Employee sessions were conducted during the financial year.

Employment Equity Plan

Employment Equity report was submitted to the Department of Employment and Labour before the 15 December 2023. Four (4) Employment equity Committee meeting were held.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

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

and Training Authority (LGSETA) guidelines.

Skills Programme

The purposes of the Skills Development Act 97 of 1998 are to develop the skills of the South African workforce in order to improve the quality of life of workers, their prospects of work and Labour mobility; to improve productivity in the workplace and the competitiveness of employers; to increase the levels of investment in education and training in the Labour market and to improve the return on that investment by encouraging employers to use the workplace as an active learning environment.

In terms Humana Resources Service Delivery Budget Implementation there are sixty (60) Training Programs that were targeted as per WSP by 30 June 2024 for annual financial year. There are 64 training interventions were conducted from May 2023 to June 2024.

External Bursaries scheme

Clause 2 of the External Bursary Policy confirms the Municipalities objective and commitment of uplifting the standard and quality of life of the community in its area of jurisdiction, and to further the requirements of both Employment Equity and Skills Development Acts.

External Bursary shortlisting for new beneficiaries was conducted on the 20 February 2024, and need analysis conducted on shortlisted beneficiaries, 4 beneficiaries awarded. No institutional visit was conducted in June 2024

Study Assistance Programme

The purposes of the Skills Development Act 97 of 1998 are to develop the skills of the South African workforce in order to improve the quality of life of workers, their prospects of work and Labour mobility; to improve productivity in the workplace and the competitiveness of employers; to increase the levels of investment in education and training in the Labour market and to improve the return on that investment by encouraging employers to use the workplace as an active learning environment.

Clause 8.1 of the Training and Development Policy provides for a regulatory framework designed to afford the personnel of Alfred Nzo District Municipality the opportunity to develop themselves in a formally structured way on a basis of identified requirements in the interests of the Municipality, in order to be able to cope satisfactorily with present and future allocated duties. Twenty eight (28) study assistance beneficiaries were awarded assistance and the payment for current beneficiaries were processed and paid.

COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Employee expenditure is budgeted for in accordance with the approved organogram and each department head is responsible for managing budget relating to workforce expenditure. Skills gap are early identified through a work skills plan approved by Council, which ensures that employees are performing their competency level.

Councilor and Staff benefits

Remuneration of Councillors

The expenditure to date for remuneration of Councillors amounts to R9, 7 million year to date against the expected expenditure of R11, 7 million.

Employee related costs

The expenditure to date for employee related costs amounts to R241, 9 million year to date against the expected expenditure R259, 2 million.

Employee expenditure is budgeted for in accordance with the approved organogram and each department head is responsible for managing budget relating to workforce expenditure. Skills gap are early identified through a work skills plan approved by Council, which ensures that employees are performing their competency level.

Councilor and Staff benefits

Remuneration of Councillors

The expenditure v to date for remuneration of Councillors amounts to R9, 7 million year to date against the expected expenditure of R11, 7 million.

Employee related costs

The expenditure to date for employee related costs amounts to R241, 9 million year to date against the expected expenditure R259, 2 million. For the breakdown of the employee, related costs please refer to table SC8

4.4 COMPONENT E: COMMUNITY BROADBAND PROVISION

On the 28th October 2023, the Department of Communications and Digital Technologies held the launch of SA Connect, a Government program aimed at providing affordable Broadband connection to communities in the Country in Umzimvubu Local Municipality in Mt Ayliff, to Officially show case the first 500 houses which benefitted in four (4) villages connected rural communities and demonstrate the SA Connect services and its economic impact to the communities of WARD 28, Chitwa Village and Santombe A/A; WARD 05 - Bhonga Location; WARD 08 - Lugelweni Location and WARD 07- Dutyini A/A.

The main event took place in Mt Ayliff/eMaxesibeni in Umzimvubu local Municipality Chambers in the Alfred Nzo District Municipality.

This program is a milestone achievement towards attainment of the objectives of the National Development Plan and will play a catalytic role in the envisaged Eastern Seaboard Development as it enables

communities to access to broadband, and thus improve communications within our district.

CHAPTER 5: FINANCIAL PERFORMANCE

5.1. Introduction

5.1. Introduction

The purpose of this report is to provide information that would be useful to users of the annual financial statements for accountability and decision-making purposes by enabling them to gain an insight into the operations of the Alfred Nzo District Municipality from the perspective of the municipality. It also provides an opportunity to reflect on the municipality's interpretation of significant items, transactions and events affecting the financial position, financial performance, and cash flows of the municipality. This financial statement discussion and analysis report is consistent with the 2023/2024 annual financial statements and underlying items, transactions and events, as well as assumptions such as those relating to recognition and measurement.

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of four components:

Component A : Statement of Financial Performance

Component B : Spending Against Capital Budget

Component C : Cash Flow Management and Investment

Component D : Other Financial Matters

ACCOUNTING AND REPORTING

The Municipality has the necessary financial-related policies approved by Council and these policies are reviewed annually. The implementation of this policies assists in ensuring compliance with the Standards of Generally Recognized Accounting Practices (GRAP).

Component A: Statements of Financial Performance

5.2.1. Introduction to Financial Statements

The municipality is rural with a high rate on unemployment, which in its nature is a source of a low

revenue base. There is therefore a high rate of indigence. This has a negative impact on own revenue collection for providing services. The cost of providing the services is extremely higher than the revenue derived from the services. This is further exasperated by a backlog of infrastructure in the rural areas. This is mainly due to service delivery backlogs that the district municipality has over the years. In addition, due to the rural nature of thedistrict municipality, there is high reliance on government grants as the revenue base is low.

In line with the provisions of the Division of Revenue Act (DORA), the district municipality anticipates to receive such grants over the near future as we maintain a high compliance ratio with National Treasury requirements.

In an attempt to address the low revenue base of the district municipality, the municipal council adopted a Revenue Enhancement Strategy that currently being implemented in line with the implementation plan. In linewith this, replacement of all meters not working and changing of meters from convesional to prepaid meters is on going.

The effective and efficient implementation of the strategy depends on the availability of funds; ANDM requires additional funds to implement the strategy.

Alfred Nzo District Municipality has developed the supply chain management policy and its being implemented. The policy is being reviewed yearly in line with IDP and Budget implementation process plan, with all other municipal policies.

ANDM is GRAP compliant; providing rules that require the municipality to maintain its financial accounts to ensure comparable and more informative for the municipality. It also ensures that themunicipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.
The Municipality committed itself in achieving clean administration and has now attained an again that clean audit opinion. Management is committed in maintaining this audit outcome in future through implementing mitigating measures and Audit Action plans to ensure that the matters reported on by the Auditor General are continously remedied and the aim is to continue strengthning the Municipality's internal control environment and financial management practicesthroughout the financial year.

A strategic planning session will be held during March 2024/2025 to address issues of IDP implementation, Budgets and SDBIP implementation and review. The strategic planning session will also address issues of ANDM audit outcomes, performance and a coordinated approach to compliance, service delivery and overall financial management.

The financial expenditure breakdown is as follows:-

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	4	16 207 173	14 827 776
Receivables from non-exchange transactions	5	4 296 931	532 702
Receivables from Exchange transactions	6	69 210 169	62 310 797
Cash and cash equivalents	7	1 376 547 875	1 110 225 379
VAT receivable	8	22 875 811	25 454 229
		1 489 137 959	**1 213 350 883**
Non-Current Assets			
Property, plant and equipment	10	5 813 816 649	5 425 513 728
Intangible assets	11	4 420 380	7 650 544
Investments in controlled entities	12	100	100
Other non-current receivables from exchange transactions	13	7 971 013	7 879 073
Heritage assets	14	131 100	131 100
Investments	16	-	10 838 087
		5 826 339 242	**5 452 012 632**
Non-Current Assets		5 826 339 242	5 452 012 632
Current Assets		1 489 137 959	1 213 350 883
Total Assets		**7 315 477 201**	**6 665 363 515**
Liabilities			
Current Liabilities			
Operating lease liability	17	209 989	226 024
Payables from exchange transactions	18	278 036 994	164 822 165
Employee benefit obligation	19	1 183 000	1 480 000
Unspent conditional grants and receipts	20	2 185 472	14 106 643
Provisions	21	40 676 553	32 960 191
Payables from non-exchange transactions	22	1 157 115	2 094 850
		323 449 123	**215 689 873**
Non-Current Liabilities			
Employee benefit obligation	19	13 093 000	10 955 000
Non-Current Liabilities		13 093 000	10 955 000
Current Liabilities		323 449 123	215 689 873
Total Liabilities		**336 542 123**	**226 644 873**
Assets		7 315 477 201	6 665 363 515
Liabilities		(336 542 123)	(226 644 873)
Net Assets		**6 978 935 078**	**6 438 718 642**
Accumulated surplus		6 978 935 078	6 438 718 642
Total Net Assets		**6 978 935 078**	**6 438 718 642**

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	24	23 495 688	25 298 157
Rental of facilities and equipment	25	14 020	14 971
Agency services	26	232 944	221 196
Other income	27	2 648 312	8 985 261
Actuarial gains	19	235 574	1 373 754
Interest Income	28	131 613 793	83 345 961
Total revenue from exchange transactions		**158 240 331**	**119 239 300**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	29	1 257 588 787	1 278 297 932
Public contributions and donations	30	1 396 610	-
Total revenue from non-exchange transactions		**1 258 985 397**	**1 278 297 932**
		158 240 331	119 239 300
		1 258 985 397	1 278 297 932
Total revenue	23	**1 417 225 728**	**1 397 537 232**
Expenditure			
Employee related costs	31	(312 693 848)	(289 974 805)
Remuneration of councillors	32	(11 811 323)	(12 140 030)
Legal Costs	33	(10 695 649)	(7 536 414)
Depreciation and amortisation	34	(120 190 809)	(104 888 091)
Impairment of PPE	10	(710 790)	-
Lease rentals on operating lease	35	(2 896 881)	(1 616 800)
Debt Impairment	36	(11 217 382)	(13 404 022)
Bulk purchases	37	(8 321 461)	(13 312 408)
Contracted services	38	(185 522 800)	(191 340 517)
Transfers and Subsidies	39	(21 302 688)	(40 976 629)
General Expenses	40	(190 182 243)	(154 169 771)
Total expenditure		**(875 545 874)**	**(829 359 487)**
Operating surplus/deficit		-	-
Surplus before taxation		541 679 854	568 177 745
Taxation		-	-
Surplus for the year from continuing operations		**541,679,854**	**568,177,745**
Loss on disposal of assets		(1 463 418)	(1 110 133)
Surplus for the year		**540 216 436**	**567 067 612**

Statement of Changes in Net Assets for the Period Ended 30 June 2024

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 July 2022	**5 871 702 405**	**5 871 702 405**
Changes in net assets Surplus for the year	567 067 612	567 067 612
Prior period adjustments	(51 375)	(51 375)
Total changes	567 016 237	567 016 237
Restated* Balance at 01 July 2023	**6 438 718 642**	**6 438 718 642**
Changes in net assets Surplus for the year	540 216 436	540 216 436
Total changes	540 216 436	540 216 436
Balance at 30 June 2024	**6 978 935 078**	**6 978 935 620**

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Annual Financial Statements: Statement of Comparison of Budget and Actual Amount

Budget on Accrual Basis	Approved budget	Adjustments on comparable basis	Final Budget	Actual amounts	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	50,854,554					
		3 952 228	**54 806 782**	23 495 688	**(31 311 094)**	A
Rental of facilities and equipment	-	10 000	**10 000**	14 020	**4 020**	B
Agency services	-	317 141	**317 141**	232 944	**(84 197)**	C
Other income - (Reserves)	161,237,319	5 956 956	**167 194 275**	2 648 312	**(164 545 963)**	D
Other income - Actuarial gains	-	-	**-**	235 574	**235 574**	E
Interest income	58,926,832	44 000 000	**102 926 832**	131 613 793	**28 686 961**	F
Total revenue from exchange	**271,018,705**	**54 236 325**	**325 255 030**	**158 240 331**	**(167 014 699)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	1,379,013,000	(116 575 038)	**1 262 437 962**	1 257 588 787	**(4 849 175)**	G
Public contributions and donations		-	**-**	1 396 610	**1 396 610**	H
Total revenue from non-	**1,379,013,000**	**(116 575 038)**	**1 262 437 962**	**1 258 985 397**	**(3 452 565)**	
Total revenue from exchange	271,018,705	54,236,325	**325,255,030**	158,240,331	**(167,014,699)**	
'Total revenue from non-	1,379,013,000	(116,575,038)	**1,262,437,962**	1,258,985,397	**(3,452,565)**	
exchange transactions'		**(62 338 713)**	**1 587 692 992**	**1 417 225 728**	**(170 467 264)**	
Total revenue	**1,650,031,705**					
Expenditure						
Personnel	(335,712,905)	(3 974 164)	**(339 687 069)**	(312 693 848)	**26 993 221**	I
Remuneration of councillors	(15,094,629)	-	**(15 094 629)**	(11 811 323)	**3 283 306**	J
Legal Costs	(3,150,000)	(12 000 000)	**(15 150 000)**	(10 695 649)	**4 454 351**	K
Depreciation and amortisation	(110,000,000)	(10 500 000)	**(120 500 000)**	(120 190 809)	**309 191**	L
Impairment of PPE	-	-	**-**	(710 790)	**(710 790)**	M
Lease rentals on operating lease	(4,310,000)	-	**(4 310 000)**	(2 896 881)	**1 413 119**	N
Debt Impairment	(25,000,000)	10 500 000	**(14 500 000)**	(11 217 382)	**3 282 618**	O
Bulk purchases	(10,000,000)	-	**(10 000 000)**	(8 321 461)	**1 679 081**	P
Contracted Services	(206,559,156)	(43 140 534)	**(249 699 690)**	(185 522 800)	**64 176 890**	Q
Transfers and Subsidies	(23,900,000)	(400 000)	**(24 300 000)**	(21 302 688)	**2 997 312**	R
General Expenses	(180,126,032)	(14 457 207)	**(194 583 239)**	(190 182 243)	**4 400 996**	S
Total expenditure	**(913,852,722)**	**(73 971 905)**	**(987 824 627)**	**(875 545 874)**	**112 279 295**	
	736 178 983	(136 310 618)	**599 868 365**	541 679 854	**(58 187 969)**	
	-	-	**-**	-	**-**	
Surplus before taxation	**736,178,983**	**(136 310 618)**	**599 868 365**	**541 679 854**	**(58 187 969)**	

Component C : Cash Flow Management and Investments

The Municipality maintained a healthy cashflow through out the financial year with a positive bank balance of R1.3 Billion. The balance includes balances on all short term investments. A long term investment made 10 years back, matured in the 2023/2024 financial year.

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Service charges		23 975 972	13 133 372
Government Grants and Subsidies		1 245 667 616	1 292 404 575
Interest income		112 079 020	68 935 817
Other Receipts		2 895 276	9 221 427
		1 384 617 884	1 383 695 191
Payments			
Employee costs		(316 625 908)	(293 647 818)
Suppliers		(285 071 233)	(423 276 001)
Grants and subsidies		(21 302 688)	(40 976 629)
		(622 999 829)	(757 900 448)
Total receipts		1 384 617 884	1 383 695 191
Total payments		(622 999 829)	(757 900 448)
Net cash flows from operating activities	41	**761 618 055**	**625 794 743**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(506 041 811)	(475 043 702)
Proceeds from sale of property, plant and equipment	10	105	(325 667)
Purchase of other intangible assets	11	-	(7 183 212)
Increase in deposits	11	(91 940)	-
Staff loan repayments	14	-	11 001
Decrease in long term investments	16	10 838 087	-
Net cash flows from investing activities		**(495 295 559)**	**(482 541 580)**
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		**266 322 496**	**143 253 163**
Cash and cash equivalents at the beginning of the year		1 110 225 379	966 972 216
Cash and cash equivalents at the end of the year	7	**1 376 547 875**	**1 110 225 379**

COMPONENT D: OTHER FINANCIAL MATTERS

i. An Assessment by the Accounting Officer on Municipal Taxes and Service Charges

The accounting officer performed an assessment on the Municipal taxes and services charges. Please refer to note 6 of the annual financial statements as attached.

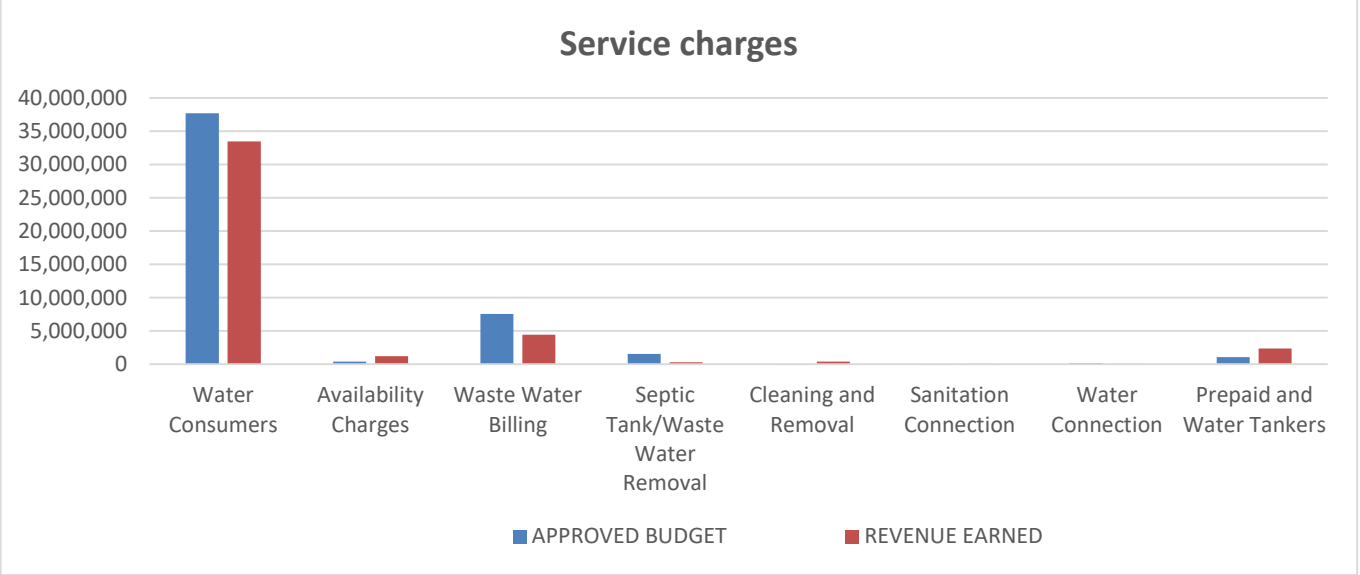
ii. An Assessment by the Accounting Officer on Municipal Performance for Revenue Collection from Each Revenue Source and Each Vote was Conducted During 2023/24 Financial Year

The table provides details of the service delivery targets for revenue by source and expenditure by type. For revenue, the municipality has generated revenue from Service Charges (water and Sanitation), Government grants and other revenue.

DC44 Alfred Nzo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Water		21 852	41 664	46 434	3 105	37 173	46 434	(9 261)	-20%	46 434
Service charges - Waste Water Management		3 446	9 190	8 373	348	4 787	8 373	(3 586)	-43%	8 373
Sale of Goods and Rendering of Services		1 098	908	1 421	140	1 244	1 421	(177)	-12%	1 421
Interest from Current and Non-Current Assets		83 346	58 927	102 927	8 377	112 079	102 927	9 152	9%	102 927
Rental from Fixed Assets		15	–	10	6	14	10	4	40%	10
Operational Revenue		621	160 329	166 360	21	1 473	166 360	(164 888)	-99%	166 360
Non-Exchange Revenue								–		
Fines, penalties and forfeits		7 488	–	–	1	1	–	1	-	–
Transfers and subsidies - Operational		729 617	775 128	774 657	1 771	748 606	774 657	(26 051)	-3%	774 657
Total Revenue (excluding capital transfers and contributions)		**847 483**	**1 046 147**	**1 100 182**	**13 769**	**905 376**	**1 100 182**	**(194 806)**	**-18%**	**1 100 182**
Expenditure By Type										
Employee related costs		285 671	335 713	339 873	45 388	302 799	339 873	(37 074)	-11%	339 873
Remuneration of councillors		11 307	15 095	15 095	935	12 668	15 095	(2 426)	-16%	15 095
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		66 366	65 158	67 727	9 232	64 519	67 727	(3 208)	-5%	67 727
Debt impairment		13 404	25 000	20 500	–	–	20 500	(20 500)	-100%	20 500
Depreciation and amortisation		98 993	110 000	110 000	27 259	123 500	110 000	13 500	12%	110 000
Interest		–	–	–	–	–	–	–		–
Contracted services		188 418	206 559	262 284	17 328	186 829	262 284	(75 455)	-29%	262 284
Transfers and subsidies		40 977	23 900	24 395	268	21 303	24 395	(3 092)	-13%	24 395
Irrecoverable debts written off		–	–	–	2 086	2 395	–	2 395	-	–
Operational costs		113 553	132 429	148 032	12 470	122 974	148 032	(25 058)	-17%	148 032
Losses on Disposal of Assets		1 110	–	–	–	–	–	–		–
Total Expenditure		**819 799**	**913 853**	**987 907**	**114 967**	**836 988**	**987 907**	**(150 919)**	**-15%**	**987 907**
Surplus/(Deficit)		**27 684**	**132 294**	**112 276**	**(101 198)**	**68 388**	**112 276**	**(43 887)**	**-39%**	**112 276**
Transfers and subsidies - capital (monetary allocations)		548 681	603 885	487 781	58 251	381 564	487 781	(106 217)	-22%	487 781
Transfers and subsidies - capital (in-kind)		–	–	–	1 397	1 397	–	1 397		–
Surplus/(Deficit) after capital transfers & contributions		**576 365**	**736 179**	**600 056**	**(41 551)**	**451 349**	**600 056**			**600 056**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**576 365**	**736 179**	**600 056**	**(41 551)**	**451 349**	**600 056**			**600 056**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**576 365**	**736 179**	**600 056**	**(41 551)**	**451 349**	**600 056**			**600 056**
Surplus/ (Deficit) for the year		**576 365**	**736 179**	**600 056**	**(41 551)**	**451 349**	**600 056**			**600 056**

Graphic presentation of Revenue



○ *CHAPTER 6 : AUDITOR-GENERAL FINDINGS*

○ *COMPONENT B: AUDITOR-GENERAL OPINION 2023/2024*

6.3.1 Auditor General Report for 2023/2024 Financial Year

Report of the auditor-general to Eastern Cape Provincial Legislature and the Council on the Alfred Nzo District Municipality

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Alfred Nzo District Municipality set out on pages .... to .... , which comprise the statement of consolidated and separate financial position as at 30 June 2024, consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Alfred Nzo 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 (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2023 (Act No.5 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 consolidated and separate financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 45 to the consolidated and separate financial statements, the corresponding figures for 30 June 2023 have been restated as a result of errors identified in the consolidated and separate financial statements of the municipality for the year ended 30 June 2024.

Contingent liabilities

8. As disclosed in note 44 to the financial statements, the entity has contingent liabilities amounting to R794,9 million.

Irregular expenditure

9. As disclosed in note 49 to the consolidated and separate financial statements an amount of R6,4 million (2023: R1,4 million) was incurred in the current year. An amount of R152,9 million was written off in the current year. The cumulative amount of R105,5 million is still under investigation.

Fruitless and Wasteful expenditure

10. As disclosed in note 48 to the consolidated and separate financial statements an amount of R2,5 million was incurred in the current year. An amount of R17,0 million was written off in the current year. The cumulative amount of R7,0 million (2023: 21,6 million) was as a result of interest incurred.

Subsequent events

11. I draw attention to note 54 of the consolidated and separate financial statements, which deals with subsequent events and specifically the effects of the dismissal of the municipal manager on the municipality.

Other matter

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

Unaudited Disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

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

14. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Standards of GRAP and the requirements of the MFMA, and the Dora and for such internal control as the

accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

15. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

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

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

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

Report on the audit of the annual performance report

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

19. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic Service Delivery	xx	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.

20. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as

	2. Rehabilitation of the Mt Frere WWTW by constructing a sewer pond collapsed wall by 30 June 2024.	

Material misstatements

27. I identified a material misstatement in the annual performance report submitted for auditing. The material misstatement was in the reported performance information for basic service delivery. Management subsequently corrected the misstatement, and I did not include any material findings in this report.

Report on compliance with legislation

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

29. 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.

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

31. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

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

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

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

35. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

37. I did not identify any significant deficiencies in internal control.

Other reports

38. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

39. The President of South Africa promulgated in 2017 that an investigation be conducted by the Directorate for Priority Crime Investigation based on the allegation of possible procurement irregularities. This investigation was still in progress at the date of this report.

40. On 08 November 2024, the President issued a proclamation under section 2(1) of the Special Investigating Units and Special Tribunals Act, authorizing the Special Investigating Unit (SIU) to investigate allegations of maladministration, irregularities, and/or corruption relating to seven infrastructure projects, procurement processes, and contracts. The proclamation specifically identifies the municipality and mandates the SIU to probe instances of irregular, unauthorised, fruitless and wasteful expenditure and improper conduct. The investigation has yet to be performed.

Auditor-General

East London

11 December 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

DETAIL ON ISSUES RAISED IN THE PREVIOUS FINANCIAL YEAR

Section 131(1) of the MFMA, requires that a municipality must address any issues raised by the Auditor-General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection.

(2) The MEC for local government in the province must -

(a) assess all annual financial statements of municipalities in the province, the audit reports on such statements and any responses of municipalities to such audit reports, and determine whether municipalities have adequately addressed any issues raised by the Auditor-General in audit reports; and

(b) Report to the provincial legislature any omission by a municipality to adequately address those issues within 60 days.

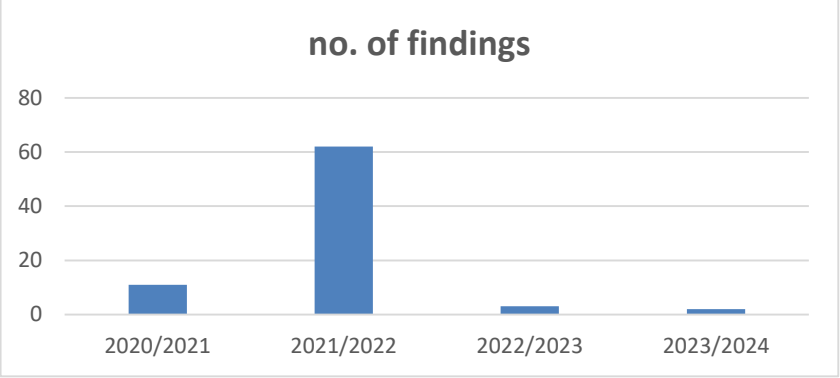
In the 2023/2024 financial year, Alfred Nzo District Municipality obtained unqualified audit opinion with no audit findings, there were also emphasis matters, mainly on the following matters:

- Contigent Liabilites amounting to R 784.9 Million
- Irregular expenditure incurred was R 6.4 Million

TREND ANALYSIS OF AUDIT ACTION PLAN

The following is the reflection of the history and current in so far as implementation of the Audit Action Plan of Alfred Nzo District Municipality. During the 2020-21 AG raised 20 audit findings, while 2021-22 findings increased to 67. The increase was attributed to the lack of usefulness of the performance information indicators and targets, Water Losses, Irregular Expenditure, Wasteful and Fruitless Expenditure, Non compliance with laws and regulations, over reliance to consultants and lack of consequence management. The municipality implemented measures and addressed most of the findings. Fruitless and wasteful expenditure was investigated and this resulted in a write off of R 17 Million. The Municipality did not incur any further fruitless and wasteful expenditure since 2020 financial year. In implementing consequence management, the Municipal Manager was dismissed subsequent to end of the financial year.

The Figure provide the trend for past three in respect of implementation of the Audit Action Plan.



REMEDIAL ACTIONS TAKEN TO ADRESS ADDRESS THE ABOVE FINDINGS

Audit Findings / Matter of emphasis	Remedial actions
1. Water losses	Implementation prepaid meters
2. Fruitless and wasteful expenditure not investigated	MPAC investigated and wrote off R 17 Million of fruitless expenditure. Internal controls implemented to prevent future occurance of fruitless expenditure
3. Irregualar Expenditure incurred	Not resolved as further R6.4 Million was incurred. Consequence management policy was however implemented.

Councillors, Committees Allocated and Council Attendance							
Council Members	***Full Time / Part Time***	***Committees Allocated***	****Ward and/ or Party Represented***	***Total Number of Ordinary Council meetings***	***Number of Ordinary Council Meetings attended***	***Total Number of Special Council meetings***	***Number of Special Council Meetings attended***
	FT/PT						
Hon Cllr T Sheane	PT	CPS	W	04	03	15	14
Hon Cllr Smith	PT	BTO	PR	04	03	15	13
Hon Cllr B. Sobayi	PT	Municipal Public Accounts Committee	PR	04	04	15	15
Hon Cllr N. Sonyabashi	PT	OMM GG	PR	04	03	15	13
Hon Cllr N. Bongwana		Rules and Ethics		04	03	15	14
Hon Cllr S. Sophaqa	PT	Municipal Public Accounts Committee	W	04	04	15	13
Hon Cllr M. Tuku	FT	PED	PR	04	03	15	15

APPENDIX B – COMMITTEE AND COMMITTEE FUNCTIONS

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Rules, Ethics and Members Interests Committee	This committee is responsible for ensuring the welfare of council members. The committee also ensures that discipline in council isparamount.It ensures that the ethics of the council members areupheld
Public Participation & Petitions Committee	The Public Participation and Petitions Committee is responsible for ensuring that petitions andparticipation are held and resolved according to the local government legislative prescripts and frameworks
Municipal Public Accounts Committee	The Municipal Public Accounts Committee provides oversight and is responsible for scrutinizing municipal performance.
Information, Communication and Technology Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Infrastructure, Development and Municipal Services Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Corporate Services Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Community Development Services	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Planning & Economic Development	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration

APPENDIX C: ADMINISTRATIVE STRUCTURE

Administrative Structure	
Directorate	**Director/ Manager (state Tile and Name**
MM's Office	Acting Municipal Manager: Mrs Mahlasela
Strategic Governance	Mr. N. Xolo (Director)
Budget and Treasury	Acting CFO: Ms Sihle Khuzo
PED	Mr. Z. mazwi
CPS	Vacant
IDMS	Ms. N. Msebi (Director)
CDS	Mr. O.Diko

APPENDIX D: FUNCTIONS OF THE MUNICIPALITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes /No)**
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	No
Building regulations	No	No
Child care facilities	No	No
Electricity and gas reticulation	No	No
Fire-fighting services	Yes	No
Local tourism	No	Yes
Municipal airports	No	No
Municipal planning	Yes	No
Disaster Management	Yes	No
Thusong Services	Yes	No
Customer Care	Yes	No
Institutional and Social Development	Yes	No
Fire safety, prevention and fighting services	Yes	No
Sports, Arts, Culture, Recreation and Heritage	Yes	No
Municipal Health Services	Yes	No
Local Economic Development	Yes	Yes
Integrated Development Planning	Yes	No
Geographic Information System	Yes	No
Dam Management	Yes	No
Environmental Management	Yes	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitutionor any other law		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto		
Storm-water management systems in built-up areas	No	No
Trading regulations	No	No
Water and sanitation services (including rural and urban)		
Beaches and amusement facilities	No	No
Billboards and the display of	No	No

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function pplicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
advertisements in public places	No	No
Cemeteries, funeral parlours and crematoria	No	No
Cleansing	No	No
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	Yes	ANDA
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	No	No
Local sport facilities	No	No
Markets	Yes	ANDA
Municipal abattoirs	No	No
Municipal parks and recreation	No	No
Municipal roads	No	No
Noise pollution	Yes	No
Pounds	No	No
Public places	No	No
Refuse removal, refuse dumps and solid waste disposal	No	No
Street trading	No	No
Street lighting	No	No
Traffic and parking	No	No
If municipality: indicate (yes or No); If entity: Provide name of entity		

APPENDIX E: WARD REPORTING

Not Applicable- District does not have wards

APPENDIX F: WARD INFORMATION

Not Applicable- District does not have wards

APPENDIX G – : 2023/2024 FY

FUNCTIONALITY OF AUDIT AND PERFORMANCE COMMITTEE

The Audit and Performance Committee consists of the members listed hereunder and meets at least four times per year as per its approved Charter. During the year under review, the mandatory quarterly meetingsand special meeting were held as follows:

APC Member	Meetings								
DATES	29/07/23	22/08/23	15/09/23	12/10/23	13/12/23	18/01/24	24/02/24	02/03/24	25/03/24
Ms. B. Jojo	x	x	x	x	x	x	x	x	x
Mr. Z. Zulu	x	x	x	x	x	x	x	x	x
Mr.V. Tshangana	x	x	x	x	x	x	x	x	x

Audit and Performance Committee Responsibilities

A summary of the Audit and Performance Committee's responsibilities in terms of the foregoing Act and its Charter is that it is responsible for, amongst other things, the following:

Auditors and External Audit Process

Discuss and review with external auditors, *inter alia,*

a. the nature and scope of the audit function;
b. agreeing to the timing and nature of reports from the external auditors;
c. considering any problems identified in the municipality as a going concern;
d. review the Auditor-General's management letter and management response; and
e. Meeting the Auditor-General at least annually to ensure that there are no unresolved issues ofconcern.

Annual Financial Statements

a. Review And Discuss The Unaudited Annual Financial Statements With The Accounting Officer Prior To Presentation Of The Foregoing Financial Statements For Audit Together With Recommendations, If Any, Regarding Amendments To The Said Statements;
b. Review And Discuss With The Auditor-General And The Accounting Officer, The Audited Annual FinancialStatements To Be Included In The Annual Report;
c. Review Significant Adjustments Resulting From The Audit;
d. Review Effectiveness Of The Internal Audit;
e. Review Risk Areas Of The Operations To Be Covered In The Scope Of The Internal And External Audits; And
f. Review The Adequacy, Reliability And Accuracy Of The Financial Information Provided To ManagementAnd Other Users Of Such Information.
g. Reviewed The Accounting Policies And Practices;
h. Evaluated The Audited Annual Financial Statements To Be Included In The Annual Report And, Based On The Information Provided To The Audit Committee, Considered That The Said Statements Comply In All Material Respects With The Requirements Of The Mfma And Treasury Regulations As Well As South African Statements Of Generally Accepted Accounting Practice (Gaap) And Certain Statements Of Generally Recognised Accounting Practice (Grap)

Internal Control and Internal Audit

The Monitoring and Supervising of the Effective Function of the Internal Audit Including;

a. Evaluating Performance, Independence And Effectiveness Of Internal Audit And External Service Providers Through Internal Audit;
b. Review The Effectiveness Of The Internal Controls And To Consider The Most Appropriate System For TheEffective Operation Of Its Business;
c. Initiating Investigations within Its Scope E.G. Employee Fraud, Misconduct or Conflict of Interest.

Ethics

a. Reviewing The Effectiveness of Mechanisms For The Identification And Reporting Of: Any MaterialViolations Of Ethical Conduct Of Councillors And Municipal Staff;
b. Compliance With Laws And Regulations; And
c. Environmental and Social Issues.

Compliance

- ❖ Carrying Out Investigations Into Financial Affairs As Council May Request;
- ❖ Reviewing The Effectiveness Of Mechanisms For The Identification And Reporting Of:
  - Compliance With Laws and Regulations; and
  - The Findings of Regulatory Bodies or Audit observations.

Risk Management

a. Reviewing risk management practises: identification, risk assessment, risk mitigation strategies andmonitoring mechanism.
b. Ongoing monitoring risk response plans
c. Comment on development of Risk Based Internal Audit Plans

Performance Management

a. Reviewing of organisational performance management reports
b. Assess the extent of achievement of SDBIP targets
c. Alignment of SDBIP with actual reported performance information
d. Review Internal Audit Reports on performance information

Information, Communication and Technology- Ict

a. Review if ICT governance process
b. Review Internal Audit Report – General Controls
c. Review of ICT infrastructure – policies and procedures

Internal Audit Function

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The system of controls is designed to provide cost effective assurance that assets are safeguarded and thatliabilities and working capital are efficiently managed. In line with the MFMA and the King VI Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Recommendations of the Audit and Performance Committee 2023/24 Financial Year

Date of the meeting	Name of the report	Recommendations
20July 2023	Performance Management Report Q4 (s 52d-Non-Financial Component)	The APC resolved to note the Performance Management Report Q4 (s 52d-Non-Financial Component) 2021-22. The APC recommended that the IA would have to perform the assurance on the performance management before submission to the Council. The APC recommend that the Performance Management to be submitted to the Council subject to the confirmation of IA before submission to the council.

	Performance Management Report (s 52d-Financial Component)	The APC recommended that the reporting on Performance Management should be aligned with the reporting of s 52d report. The APC suggested that if there are cases that were classified as irregular expenditure should be identified and classified as such including the internal audit irregular expenditure reports.
	Internal Audit Reports on: Contract Management and Expenditure Management Reviews	The APC recommended that all the areas of disagreement on the IA report and on previous reports should be referred back to management. The APC recommended that IA should prepare report to confirm whether the management had address the IA issues. The APC resolved that the management should have a better interaction between Internal Audit and Management and get resolution on disagreement issues. APC noted the internal audit reports.
	Internal Audit Risk- Based Plan 2023-26	The CAE apprised the APC about the Risk Based Internal Audit Plan 2023-26 seeking the inputs of the APC for the purpose of approval of the Risk Based Audit Plan 2023-26 by the APC. The APC Chairperson proposed approval of the Risk Based Audit Plan 2023-26. The APC Chairperson noted the progress that had been made on the presented plan as the internal audit reports were continuously presented to the APC. The APC Chairperson proposed approval of the Internal Audit Risk-Based Plan 2023-26. The APC noted the amendments that were proposed by the CAE on the Internal Audit Risk-Based Plan 2023-26. The APC Members (Mr Tshangana and Mr Zulu) supported the approval of the Internal Audit Risk-Based Plan 2023-26.
	Internal audit and Audit Committee Charters Review report 2023-24	The CAE presented the report to the APC the IA Charter for the approval by the APC and the APC Charter for noting by the APC. The APC Chairperson requested the APC members to submit their comments concerning the IA and APC Charters. The APC member (Mr Zulu) recommended approval of the IA Charter and seconded by APC member (Mr Tshangana).

		The APC resolved to approve the Internal Audit Charter.
	Litigation Report	The APC commented that the legal cost should be reflected on the litigation register. The MM committed to the APC that the litigation register would be effected with the legal costs that were incurred. The APC resolved to note the progress report on the litigation register.
	Risk Management Report	The APC requested the Risk Manager that on his presentation of risk assessment he (Risk Manager) should also update the APC about the status of the RCM Chairperson within the municipality. The Risk Manager presented the risk management report for consideration by the APC. The Risk Manager reported all the additional new risks that were identified as detailed on the report. The APC enquired about the status of the RCM Chairperson within the municipality. The Risk Manager reported to the APC the progress that had been done in terms of the appointment of the RCM Chairperson. The MM committed that the appointment of the RCM Chairperson would be the 31 July 2023. The MM promised to the APC that on the 01 August 2023 the new RCM Chairperson would be starting the term of office. The APC noted the progress reported about the appointment of RCM Chairperson. The APC noted the progress report of risk management.

	Audit Action Plan	The APC recommended to deferred the Audit Action Plan report to the office of MM.
	Supply Chain Management Report	The APC resolved to consider the SCM report in a close session after the APC Meeting with the required management.
28 August 2023	Internal Audit Reviews- APR 2022-23	The AMIA presented to the APC the Internal Audit Review on APR 2022-23. The APC Chairperson requested that the CAE should focus on the issues that were not addressed on the report. The APC recommended that the management should give the APC their plans towards the issues that were not address. The APC had a great concern that the report reflected the number of issues that were not resolved. The APC enquired to the management whether the risky areas had been address and what are the agreement of the management pertaining the outstanding matters. The APC requested to get a way forward on the areas that had not been resolved. The APC recommended that the management should submit the required information to the Internal Audit. The APC recommended that the Internal Audit should provide the APC with the confirmation that the resolution has been submitted to them (internal audit) and the outstanding management-tracking tool. The AMIA confirmed to the APC that resolution was submitted however, the submitted resolution did not reflect approval of the Council.
	ANDM APR Report 2022 -23	The APC noted that the issues of inconsistence still need to be tested by the IA. The APC noted the improvement on the APR narrative as well as the scorecard. The APC resolved that the APR can be submitted to AG pending on the resolution of the issues that were raised by IA.

	Internal Audit Comments: AFS 2022-2023	The AMIA apprised the APC with the progress report as per the issues that were raised in the previous Special APC Meeting by the IA and APC as written on the IA Review report of 2022-23 AFS. The APC recommended that the CFO should present the draft AFS and the APC would submit the comments after the presentation by the CFO. The APC noted the results of IA reviews and the status of the follow-up on issues that were raised in the previous Special APC Meeting by the IA and APC. The APC Chairperson enquired whether the APC had any issues they needed to follow up on the presentation of the IA. The APC requested that the management should brief the APC on the reasons why the issues raised were not corrected yet. The APC Chairperson requested the CFO to comment on the status in respect of the findings that had been raised by IA as the follow-up from the previous meeting. The CFO responded to the APC that they had responded to most items that were raised by the internal audit as well as the Audit committee, however, the CFO informed the APC that they were still working on their financial statements. The CFO informed the APC that some of the issues would be finalized during the finalisation of the AFS. The CFO indicated that on the 29 August 2023, they would be doing the final review of the AFS and correct all the cosmetic errors on the AFS. The CFO reminded all in the meeting that in the previous meeting there were few issues that were not yet are done. The CFO informed that in the previous meeting they (CFO and Ms Khuzo) reported the main outstanding issues were on PPE, which had been done on the current set of AFS also the outstanding issues were on a cash flow statement. The CFO informed the APC that there is one area that needed to be corrected on the current AFS set submitted on the 28 August 2023.

		The CFO informed the APC that they are going to look into the comments by internal audit on the current submission such as the outstanding issues in the audit file. The CFO promised to the APC that on the 29 they (CFO and Ms Khuzo) going to look into almost everything and make sure that every things is complete and make sure over all the comments from the Audit committee as well as internal audit are effected on the AFS. The CFO informed the APC that they (CFO and Ms Khuzo) are still engaging with the internal audit in the processes of finalising the AFS. The APC Chairperson noted the responses that were given by the CFO, however, the APC Chairperson suggested that the CFO should present the whole set of the AFS for the APC to get exactly the areas that are still pending on the AFS. The APC Chairperson suggested that the APC would comment after the CFO responded directly to the Audit committee on those matters that they wanted to raise to them (APC). The APC Chairperson suggested that the CFO should report on where the risk remains on the AFS.
	UPDATE AFS 2022 – 23	The APC concluded the entire discussions with the following resolution: • The APC noted the findings of the internal audit on the AFS 2022-23 • The APC noted the progress reported by the CFO in addressing the findings • The APC noted that there were outstanding issues that were raised by Internal Audit and APC that still needed to be addressed by the management. • The APC committed the IA to provide assurance on the outstanding issues. • The APC recommended that all the inputs on issues that were discussed that include the water losses, irregular expenditure and all the outstanding issues should be consider before the final submission to the AG. The APC recommended that the comments from the Treasury and COGTA should be also considered on the AFS before the submission to the AG.
17 August 2023	**Internal Audit Comments: AFS 2022-2023**	The APC requested the CAE to reflect on the issues that are still outstanding on the review of the draft AFS.

		The CAE informed the APC that IA had identified 136 issues on the AFS. The CAE informed the APC that the management corrected about 86 issues and 36 issues were still outstanding. The CAE informed the APC that the 56 issues related to the accounting policies. The CAE requested the AMIA to present the detailed findings as documented on the report. The APC noted the presentation of the IA on the Internal Audit Reviews of AFS. The APC recommended that the CFO should present the draft AFS and the APC would submit the comments after the presentation by the CFO.
	Draft AFS 2022-2023	The CFO informed the APC about the key areas that were still outstanding on the draft AFS. The CFO informed the APC that Ms Khuzo would present the entire draft of the AFS. Ms Khuzo to appraise the APC with the full details of the draft AFS for the financial year 2022-2023. The APC commented on the following areas: **Note 4- Inventories - Water losses in cubic metres** The APC requested that the given explanation should be clarified more on the changes that occurred on the water losses. **Note 5 Receivables from non-exchange transactions** The APC requested that the issue of staff debtors should be clarified on the AFS. The APC informed the CFO that the insurance claim amount remains the same and requested the CFO to explain why insurance claim amount was the same as the previous year. **National and Provincial Governments:** The APC inquired of management the reasons for national and provincial debtors were not paying their accounts. The RMC Chairperson indicated that according to her understanding, there is a committee that mediates between municipality and National departments.

		Therefore, the RMC Chairperson enquired about the municipality high debtors when it comes to National and provincial. **Note 9 Property, plant and equipment** The PPE note for 2023 had no assets under construction – therefore, the RMC Chairperson requested clarity from management. **WIP**: The APC enquired whether the impairment assessment was performed. The APC advised management that the AG would require proof of whether the assessment was done or not. **The Specialised Vehicle**: The RMC Chairperson noticed that there was no depreciation; she then enquired about the method that was used. **Note 12 Heritage assets: T**he RMC Chairperson noticed that the heritage remains the same; she then enquired whether there was any assessment that had been done on heritage assets. **Note 13 Staff loans** The APC enquiring why the management is not proposing a write off on staff loans because it has been remaining there for a long time. **Note 16 Payables from exchange transactions – Retentions –** The RMC Chairperson enquired whether the retention had a separate account so that you can be able to access it (retentions). **Third party payments** - the RMC Chairperson stated that there was an amount of R24855, she requested clarity. **Accrued salaries** – the RMC Chairperson requested a clarity on accrued salaries and accrued bonuses. **Note 17 Employee benefit obligations (continued) - Actuarial gain** – the RMC Chairperson requested clarity. **Note 18 Unspent conditional grants and receipts –** the RMC Chairperson noted the unspent of conditional grants and receipts; she then enquired whether it was a planning issue and whether the management had received any response to National Treasure in term of rollover. **Note 19 Provisions – Litigations –** the APC enquired whether the litigation register correlate with the figure documented on the note.

		Leave provision – the RMC Chairperson was not happy about the leave provision and she requested further clarity. The RMC Chairperson further enquired whether the internal audit had done their tests to verify the reliability and accuracy of the leave provision. The RMC Chairperson informed all in the meeting that AG raised issues on the Leave provision. **Rental of facilities and equipment** – the RMC Chairperson stated that the rental has increased, she then enquired whether there are new leases or what – further clarity was required by the RMC. **Note 25. Other income** - **Clearance fees** – the RCM Chairperson requested clarity on the clearance fees. **Note 26 Investment revenue - Debtors fair value adjustment**: the APC enquired whether the tested fair value assessment was performed by the independent person or the IA had tested the fair value assessment. **Note 28 Government grants & subsidies -** Infrastructure skills development grant – the RMC Chairperson noticed that it was not moving – required clarity **Energy efficiency and demand management grant** – RMC Chairperson observed a decline – required clarity. **Regional Bulk Infrastructure Grant** – the RMC Chairperson requested more clarity on the regional Park infrastructure amounting R3 613 845.00. **Remuneration of disclosure –** RMC Chairperson enquired further clarity – the RMC Chairperson stated that the remuneration for Senior Managers was not tying up**.** The RMC Chairperson had an understanding that the MM re-joined the municipality in the middle of the year but when the RMC Chairperson compared the remuneration of other Senior Managers, it was not tying up. Then, the RMC Chairperson requested a further clarity. **Note 36 General expenses -** Auditors Remuneration - the RMC Chairperson enquired about audit remuneration that had doubled from R4 247 516 R8 064 490. The RMC Chairperson suggested that the management should provide further clarity. **Note 38 Contracted services - Infrastructure and Planning** – the RMC Chairperson stated

		that the infrastructure and planning were very high; therefore, the RMC Chairperson requested a further clarity to get the activities that were involved. **Note 41 Commitment** – RMC Chairperson enquired whether there was a commitment register that correlates with the specified figure. **Note 42 Contingent liability** – the RMC Chairperson enquired about the settlement amount of the contingent liabilities that were settled. The RMC Chairperson suggested that the actual outstanding amount should be reflected on the AFS. **Note 45 Unauthorised, Irregular and Fruitless and Wasteful Expenditure –** the APC enquired to the MPAC Chairperson the reason for not considering the write of UIFWE. The APC enquired whether the consequence management had been considered. The APC suggested that the consequence management should be considered even if there is no financial loss as the requirement of the financial board. **Segment reporting** – the RMC Chairperson enquired to the management on why the management decided to only componentize only two strings (IDMS and Community Services) in terms of service area. **THE CFO'S RESPONSES ON APC COMMENTS: AFS submission to Treasury:** The CFO responded to the APC that the draft AFS was not submitted to Provincial Treasury. The CFO informed the APC that they (AFS Team) had an understanding that the AFS would be needed to present to the APC and then submit the version with the APC comments to the relevant stakeholders. **Audit Action Plan:** The CFO responded about the Audit Action plan that there was an error that was done on the web-based. The CFO explained that the action plan was a draft document not the final document. However, the CFO informed the APC that the management had another action plan that would monitor the progress on the previous audit findings. **AFS Notes:** The CFO noted the general comment on the AFS about the AFS notes that did not have full explanations.

		The CFO committed to the APC that they (AFS Team) would look into that in terms of the notes on the AFS. **Lease premises:** The CFO informed the APC that the management had GCIS who was renting the premises. The CFO informed the APC that in the previous financial year there was no lease agreement, but in this financial year there was a lease agreement even though they (service provider) did not finish the entire year of 2023 as they (service provider) have left ANDM premises. **Indigenous support**: the CFO informed the APC that the municipality was using an indigent report from the local municipality and then the local municipality issued the advert for the indigent people. The CFO explained to the APC that the municipality was only limited to those people that had been registered in the local municipality. **Irregular expenditure** – The CFO informed the APC that was an amount that was written off by the Council. The CFO informed the APC that the municipality had some cases that were still under investigation and that irregular expenditure would appear until the finalisation of investigations. The CFO informed the APC that the irregular expenditure was not too much even though it had a huge amount of about R139 000 000. 00. **Provisions** – The CFO informed the APC that the provision amount had been there for about three years and it had been disclosed on the AFS for the past three years. The CFO informed the APC that the follow up was done with the legal services to get the status and it was confirmed that the exercise had not been finalised. The CFO informed the APC that the initial amount that was claimed to the municipality was amounting to R300 000 000.00 and it had been increased to R3.9 000 000.00. **The Contingent liabilities** – regarding the contingent liabilities and assets vs litigation register; the CFO informed the APC they (AFS Team) had work hand-in-hand with the legal services and got confirmation from the attorneys based on a litigation register from the legal services.

		Commitment register – the CFO confirmed to the APC that the commitment register was available and tally with the note on the financial statements. **Audit fees** – The CFO informed the APC that audit fees had doubled this financial year. The CFO explained that in the previous financial year, the performance was audited twice and the AG had another team from the national offices that was dealing with the projects up to December 2022. **Clearance fees** – The CFO explained to the APC that the person selling property should get a clearance certificate from the local municipality for the rates and clearance certificate from the district for sanitation. CFO informed the APC that the clearance certificate is part of revenue. **The Retention that had been forfeited** – The CFO confirmed to the APC that there were retentions that had been forfeited due to contractors that were not completing the projects that are on penalties. The CFO informed the APC that the AG had a query in the previous year's audit about retention and advised that those people should be charged penalties. The CFO explained that the municipality had not charged any penalties in the previous years but the money was recovered from the retentions. **The agency's fees** - The CFO explained to the APC that these were the fees for third party such as the insurance of the employee that were paid directly to the municipality. **WSIG** – The CFO informed the APC that they (AFS Team) had prepared a business plan and the projects were identified. However, after the submission of a business plan, a revised business plan was requested to the municipality and prioritised water and sanitation. The revised business plan was then approved in October 2022. L **Rollover**- The CFO informed the APC that the municipality had not sent a letter requesting the rollover to the National Treasury. The CFO promised to the APC that the letter requesting the rollover to National Treasury would be sent in the following week. The CFO informed the APC that the due date for the submission for the letter requesting rollover would be 31 August 2023.

		Retention – the APC enquired whether the municipality had a separate bank for retention: the CFO confirmed to the APC that the municipality had a separate bank for the past three years ago to have a separate bank account for the retentions. The CFO further explained that the municipality had a separate bank account for the MIG grant because the municipality report the retentions to COGTA against the funds that were spent. **RBIG Retention**: The CFO explained that the municipality claims when the invoice had been received from that particular service provider. **Staff Loans**: the CFO explained that the staff loans were taken to the Council; however, Council did not approve the write off for the staff loans. The CFO explained that the municipality had different categories of staff loans: Staff loans for the people that were given loans to buy cars and who were continuing with their payment. Staff loans for the people who were charged for fraud and then there was the court sanction that they should pay money. The CFO informed the APC that, they (AFS Team) are paying slowly and the council could not write them off because of the court sanction. **The legal cost for ANDA** – the CFO explained that ANDA had the court case against the CEO and there was an agreement that the district would pay the fees and then the district would invoice ANDA. **Further explanation on AFS note about the changes on water losses** – the CFO explained that the fact that the municipality is using the telemetry system and the readings are directed from the reservoirs and extracted from the system, which is more accurate than it was done previously. The CFO committed to the APC that they (AFS Team) would verify again all the issues that the APC needed further clarities on the AFS. The CFO committed that the AFS would be effected with the APC comments, IA Comments and comments that would come from Treasury. The APC recommended that the outstanding issues should be effected on the AFS.

		The APC recommended that the AFS should be effected with the recommended by the APC. The APC noted the progress report on Draft AFS 2022-2023 subject to correction and recommendation that was done by IA and APC. The APC noting the Internal Audit report AFS reviews. The support the request of the MM for the APC Member (Mr Tshangana) to guide the management on the issue of provision. The APC acknowledged that the management would submit the draft AFS to Treasury to comment on the AFS. The APC informed the CFO that the editorial comments had been forwarded to the management.
	Draft APR 2022-2023	The APC requested the IDP & PMS Manager to notify the APC with the status of the APR as it was indicated that the IA had not perform the IA Review on APR due to late submission. The Manager IDP & PMS appraised the APC with the summary of the APR for the financial year 2022 – 2023 for noting by the APC. The APC commented on the APR summary presented as follows: The APC had a concern that the key areas that would be looked at by auditors were not reflecting on the presented summary report of the APR. The corrective measures for non-achievement of the planned target should be reflected on the report. The POEs that determine whether the planned target should be reflected on the report. The APC reminded the management that for the past three years, the management had been given advice by the APC concerning the formulation of the performance information report. The APC commented that the presented report was not reflecting the corrective measures of the previous findings to check whether the findings were resolved or not. The APC informed all in the meeting that the presented report was not indicating whether the previous audit findings were resolved resolve or not. The APC enquired whether the corrective

		measures that address the previous audit findings had been considered. The APC had a concern that the summary report presented to them was not helping to achieve or to meet the requirements of those (IA and AG) who would be auditing a document performance. The APC commented that the performance of service providers should be improved and be supported with the POEs that confirms the reported performance of service providers. The APC advised the IDP & PMS Manager that he (IDP & PMS Manager) should consider the risks related to performance. Performance of the MM's Office – the APC was not impressed with the reported performance. The APC noted the summary presentation of the Annual Performance Report.
20 October 2023	**Update on External Audit (AG)**	**Update on External Audit (AG)** The APC Chairperson requested the CFO to brief the APC on areas that are problematic pertaining to the AG external audit. The CFO informed the APC that they were handling the request for information well (request for information number 29). The CFO informed the APC that they planned meeting pertaining the verification of assets starting from next week. The CFO informed the APC that the verification of assets was expected to be done in two weeks, but, if the planning team did well, that might take only two days per local municipality. The CFO informed the APC that in terms of communication of findings; they had no material finding. however, there were two findings which they had two COAFS: • The first one was on litigations and • The second one is on the AOPs targets that were reported The CFO informed the APC that on litigation, they had responded and it was not a major issue, but it was mainly about a case that was not supposed to be reported on in the previous year. Audit Strategy - the CFO informed the APC that they would be able to meet their deadline because they were still working well in terms of the stipulated deadlines.

		Audit fees – the CFO informed the APC that they were not anticipating overspending on the Audit fees. The RMC Chairperson informed that the APC that in the RMC it was suggested that the consolidate AFS should be submitted to the APC. The RMC Chairperson enquired whether the submission of the consolidated AFS was done with the APC. The APC further explained that the issue of consolidated AFS was enquired as well to the CAE before the end of September 2023. The CAE acknowledge the deficiency in regarding with the proper planning for the submission of the consolidated AFS to the APC. The CAE committed to the APC that this would not occurred again. The CAE further explained that the submission of the consolidated AFS is a legal matter that needs to be accommodated at the planning phase of the APC sittings. The RMC Chairperson suggested that the CAE and CFO should consider the submission of the consolidated AFS to the APC. The APC Chairperson informed the management that the challenges pertaining the coordination of the APC sitting should be communicated to the APC. The APC Chairperson informed the management the decision to call-off the APC should not be the decision of the management. The Director Strategic Governance noted the concern of the APC and made a sincerely apology to the APC pertaining the reported the error. The Director Strategic Governance committed to the APC that the management would correct the error in future. The APC noted the progress reported by the CFO pertaining the current external audit.
	Section 52 (d) non-financial (first quarter)	The Manager IDP & PMS appraised the APC with the Section 52 (d) non-financial (first quarter)

		report for the financial year 2023 – 2024 for noting by the APC. The APC recommended that the CAE should present the internal audit reviews on the Section 52 (d) non-financial (first quarter) before the APC submit their inputs.
	Internal Audit Reviews - Section 52 (d) non-financial (first quarter)	The CAE appraised the APC with the Internal Audit reviews Section 52 (d) non-financial (first quarter) for the financial year 2023 – 2024 for noting by the APC. The following comments submitted by the APC on the presentation submitted by Manager IDP & PMS (Section 52 (d) non-financial (first quarter) and CAE (Internal Audit reviews - Section 52 (d) non-financial (first quarter): • The APC appreciated the improvement on the first quarter report (Section 52 (d) non-financial (first quarter) and the comments presented by the CAE on the IA Review (Section 52 (d) non-financial (first quarter). • The APC emphasising a point that the AGSA should start to rely on the work of the internal auditors. • The APC informed in the meeting that the ANDM internal auditors had conducted the audit of performance information from quarter one to quarter four. • The APC suggested that the AGSA should be provided with the quarterly audits of performance information that were conducted by the IA. • The AGSA responded that the AGSA would not be able to really on the work of internal audit on the significance issues. • The AGSA informed the APC that the municipality had significant issue on the performance information and on the SCM. • The AGSA suggested that the internal audit should have an engagement with AGSA to develop audit procedures pertaining the issue of in significance. The APC enquired to the management whether the issues of completeness and accuracy were escalated or reflected to the operational risk register for the performance management processes.

		The APC recommended that the issues such as the lacking of SOP should be included in the mitigation plan to avoid the reoccurrence. The APC recommended that the issues relating to smartness of indicators should be taken into consideration by the management. The APC informed the management that the APC raising the issues of smartness of indicators. The APC informed the management that the APC had been raising the issues of smartness; therefore, the APC recommended that the IA should provide the APC with the report of that in the next planning cycling. The APC enquired to the management whether there any plans to resolve the issue of changes on the tracking tool. The APC commented that the big percentage of the municipality budget is sitting at IDMS; therefore, the APC enquire whether the verification process of that achievement of 68% realising the work on the ground in terms of the milestones (indicators). **Management response on the comments raised by the APC Committee:** The Manager IDP & PMS responded to the APC about the issue of tracking tool changes that would be affected in the SDBIP as the part of the review. The Manager IDP & PMS informed the APC that the management have set a target of December to complete all the analysis on the areas that necessitate amendments. The Manager IDP & PMS promised to the APC all the work would be completed that February 2024, which would be the time for the approval of IDP adjustment. The Manager IDP & PMS informed the APC that management had some discussion pertaining the issue of reports (POEs) that not opening on the system. The Manager IDP & PMS informed the APC that the system venders also assisting in terms of re-uploading the documents that were not correctly uploaded on the system.
	Audit Strategy	AG manager Ms Makubalo firstly apologised to the APC for joining the APC meeting late. The AG Manager Ms Makubalo informed the APC that the AG had attended a meeting.

		The AG Manager Ms Makubalo submitted an apology for their senior manager Ms Sivuyile Ndabambi who was on sick leave. The AG Manager Ms Makhubalo informed the APC about the change of leadership, the AG had appointed the new Senior Manager Mr Sivuyile Ndabambi who replaced Mr Rama. The AG Manager Ms Makubalo informed the APC that Mr. Sivuyile Ndabambi was introduced to the ANDM management. The AG Manager informed the APC about the new strategy, however, Ms Makubalo informed the APC that the mission and vision has not changed. The AG Manager Ms Makubalo informed the APC about the following areas on the new audit strategy: Culture-shift 2023 - making a difference in the lives of people. The AG Manager informed the APC that in the next seven years are committing to be more direct, consistent and have a meaningful impact on the improving lives of ordinary South Africans. Enforcement - The AG Manager Ms Makubalo informed that the enforcement would be focusing on material irregularities, however, the AG Manager Ms Makubalo mentioned that there were material irregularities. **Accountability ecosystem -** the AG Manager Ms Makubalo informed the APC that in the accountability ecosystem, the leadership, decision makers and everyone starting from the officials to the accounting officer are being assisted by the Audit Committee and Internal Auditors. The AG Manager informed the APC that everyone should do their part in ensuring that there is service delivered to the people. The AG are in the middle in trying to ensure that there is support from the oversight supporting their management in the leadership in ensuring that there is a service delivery to the citizens. The AG Manager Ms Makubalo did highlights on the following focus areas that are knew in the in the current year: • Water and sanitation infrastructure • Procurement and contract management • Consequence management • Use of consultant

		• Going concern and financial viability The strategic themes for the 2022/23 audit, the following strategic themes will be applicable: • Infrastructure • Capacity and capabilities – new in the current year • Fiscal pressure • Governance including coordinating ministries – new in the current year The AG Manager Ms Makubalo responded on the issues that were raised by the APC as follows: **Audit strategy** – The AG Manager Ms Makubalo explained to the APC the process pertaining the audit strategy, thereafter presented to the management, and thereafter shared to the Audit Committee. The AG Manager Ms Makubalo informed the APC that the audit strategy was presented to the management two or three weeks back and it was then shared to the Audit Committee immediately after the audit strategy was presented to the management. The AG Manager Ms Makubalo informed the APC about their challenge that includes the shortage of staff, which then affected the completion of the audit strategy planning. **Reliance on the work of internal audit** – The AG Manager Ms Makubalo informed the APC that in the current year the audit work that relates to regulatory audits were conducted by the internal audit include the SCM and AOP. The AG Manager Ms Makubalo reminded that in the previous year they (AG) had disclaimer on AOP, there were a lot of non-compliance findings and new non-compliance findings in the previous year relating to SCM. The AG Manager Ms Makubalo informed the APC that those two areas (SCM & AOP) had significant risk. Therefore, the AG Manager Ms Makubalo informed the APC that AG could not use other peoples work on areas that had significant risk. The AG Manager Ms Makubalo informed the APC that the AG had seen that controls are in place and have not even had any findings as to the result if there is minimal risk on the financial statements.

		The AG Manager Ms Makubalo suggested that the AG and IA should have a meeting in order to have agreement on areas that should be audited by the Internal audit and to discuss procedures that should be used by IA. The APC Chairperson informed all in the meeting that the APC had agreed that the discussion of the Audit Strategy content would not add value as the Audit Strategy was submitted very late to the APC. The RMC Chairperson raised a general concern that in the Eastern Cape the role of the APC is not elevated compared to other provinces by the AG. The RMC Chairperson informed all in the meeting that the audit strategy was supposed to be submitted to the APC before the execution of the audit. The APC emphasised that the AG was supposed to engage with the APC to discuss the audit strategy before it could be signed off. The APC informed in the meeting that the APC had the right to enquire about the content of the audit strategy such as pricing, the capacity to and so forth, however at this stage nothing could be done by the APC. The APC raised a concern that the APC had not been given that opportunity to actually engage with the AG before the audit strategy was implemented. The RMC Chairperson informed in the meeting that according to the Audit and Performance Committee Charter, the Audit and Performance Committee is supposed to oversee the work of external audit. The RMC Chairperson informed all in the meeting that the APC had not given the opportunity to actually engage with the audit strategy because always in the Eastern Cape the Audit strategy comes closer to the end of the Audit. The APC informed all in the meeting that the issue of the audit strategy had been discussed all these years however, there is no improvement. The APC asked the AG Managers Ms Makubalo and Mr Madlala to escalate their (APC) concern pertaining to the late submission of the Audit Strategy.

		The APC informed the AG that the APC needed to put this matter to rest so that it would not be an issue every year. The APC informed that the AG should clarify to the APC whether the AGSA had a portion that states that the APC are not interacting with the audit strategy. So that the APC could amend their terms of reference pertaining to the issues of audit strategy. Therefore, the APC requested the AG Managers to escalate the issue about the late submission of audit strategy for a just clear response. The APC further explained to the AG that placing reliance on the internal audit work was not a matter of cutting the AG's work for no reason but is about being proactive. The APC informed that the AG had confirmed low risk and shift cutting but the audit fees had increased. The AG Manager Ms Manager Ms Makubalo committed to inform the AG Senior Manager Mr Ndabambi about the issues that were raised by the APC pertaining to the Audit Strategy. The AG Manager promised to the APC that the Senior Manager Mr Ndabambi would engage with the APC about the issues of the placing of reliance on the work of IA. The AG Manager Ms Makubalo explained to the APC that the audit fees would remain the same as the AG had shifted from auditing finance but focusing on the forecast areas.
	SECTION 52 (d) Financial Components	The CFO presented the section 52 (d) report to the APC. The CFO informed the APC that in terms of Section 52(d) the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of the municipality." The CFO informed the APC that the main purpose of the report (section 52 (d) was to adhere to the legislation and provide the feedback for the implementation of council approved budget relating to the third quarter to the Mayor and Council. The CFO's presentation focused on the Budget Statement Summary as at 30 September 2023 which include the following financial components:

		• Grants performance as at 30 September 2023 • Project Expenditure Report • Withdrawal report as at 30 September 2023 • Payroll report as per Section 66 of the MFMA • Payments Report • Vat Recovery Report • Asset Management Report • Report on implementation of procurement plan • Report on orders irregular expenditure & deviations • Report on contracts management and performance of service providers • Revenue and Debt Management • Investments Management • Grants and Subsidies The APC appreciated the report presented by the CFO. The APC requested the CFO to give a clarity following on the items: Diesel – the APC requested the CFO give clarity on issues that related to the consumption diesel. The APC reminded the CFO that in the previous meeting there was a similar issue about the increase of diesel. The APC enquired whether the management had a turnaround strategy that would to improve the process of BID Committees. The APC appreciated that there were no irregular expenditure reported by the CFO, however, APC requested that the CFO should include few lines on the next report about the status of condonation of irregular expenditure relating to old irregular expenditure. Asset management – the APC recommended that the CFO should start managing the assets, and enquired whether the CFO had the Asset Manager. The APC requested to be provided with the Asset Management reports in relation with the status of assets within the municipality.

		CFO - Diesel – the CFO informed the APC about the price increase of diesel and the increase of consumption. The CFO informed the APC that they compiled a draft report in terms of consumption of diesel. The CFO informed the APC that they had requested the IDMS to provide the report in terms for the schemes that were supplied with diesel. The APC enquired whether the municipality had new projects that add on consumption of diesel. The CFO responded that there were no new projects but they discovered that the schemes that were in town were more than the schemes that are in the rural areas. The CFO explained that another problem, the municipality did not have enough vehicles to deliver the diesel and there were no drivers appointed by the municipality. The CFO informed the APC that the municipality had many challenges concerning the distribution of diesel that needs to be considered. The APC enquired a clarity in terms of BID that were not completed in time. The CFO responded that the office of MM would be in a better position to respond on the issues of BIDs. However, the CFO gave a brief explanation to the APC that BTO did not appoint BID committee starting from a specifications committee. The CFO informed the APC that all the committees are managed in the office of the MM. The CFO explained that the BID process should be within 90 days. The CFO informed the APC that at ANDM the BID is taking quite long to be completed. The APC requested clarity on the condonation process pertaining the irregular expenditure – the CFO informed the APC that the municipality had irregular expenditure on financials expenditure about R232 million. The CFO informed the APC that the municipality had MPAC that investigates the irregular expenditure. The CFO informed the APC that the MPAC was trying to reduce the irregular expenditure. The CFO informed the APC that there was one item of irregular expenditure amounting to R100 million which was disallowed by AG since it was still under investigation.

		Fruitless and wasteful expenditure - The CFO informed the APC that the management was working very hard in trying to reduce fruitless and wasteful expenditure. The CFO informed that the current fruitless and wasteful expenditure was amounting to R18 million as disclosed in the financial statements. The CFO informed that they were trying to get information because it was mostly coming from previous years. Asset management report– the CFO informed the APC that the report would be added on report. The CFO confirmed to the APC that BTO had appointed the Assistant manager of Asset Management who is responsible for fleet management, stores management and asset management. The Director Strategic Governance (DSG) reported on the issue pertaining the expenditure on the MIG: The DSG informed the APC that they had concluded about four appointments. The DSG informed the APC that those appointments would accelerate the expenditure on the side of MIG. The DSG informed that there were also two projects that were being reviewed by an Accounting Office with the intention of being awarded. The DSG reported to the APC that on the expenditure relating to RBIG: The DSG informed the APC that they were waiting for Umgeni Water to submit invoices after being executed. The Umngeni was working on improving the capacity of water plant in Mbizana. The DSG informed the APC that the remaining amount of about R18 million; there had the plan of about R30 million that had been allocated to a currently project (new dam at Ntabankulu and in Matatiele). WISG – the DSG informed the APC that they had already advertised sanitation projects that were currently on the evaluation stage. The APC Chairperson requested the CFO to conclude the report that was presented by the DSG who were disconnected due to network frailer.

		The APC Chairperson informed the CFO that the presentation of the DSG was related to the item of RAS. Therefore, the APC Chairperson asked the CFO to also brief the APC on the content of RAS. The CFO informed the APC about the projects that were in progress that included the VIP toilets which was advertised and being evaluated and project for telemetry system. The CFO informed the APC that by the end of December they would try to make sure that the municipality is complying with the DORA and RAS. The CFO informed the APC that they had term contracts that for refurbishment that would be used for the implementation of the projects in the current financial year. The CFO informed the APC that they had hoped that the turnaround plan would assist the municipality to implement 60%. However, the CFO had to explain to the APC that in second quarter, they would be left with one full month (November) and the contractors would be closed in December and that might affected 60% spending. However, the CFO had a hope that the 45% that speaks to the DORA would be accomplished. The CFO informed the APC that she would not detail the content of RAS until presented by the management to the APC. The APC noted the response and explanation that were provided by the CFO; the APC suggested that some issues should be kept or reserved for further engagement with the APC: The APC enquired about the responsibility of the CFO in connection with the execution of the procurement plan, and support provided by the CFO on the appointment of committees and the required training where necessary. The APC raised this question based on the explanation that was provided by the CFO pertaining with the appointment of services provider for the advertised projects. The APC had a feeling that the CFO was not taking ownership on the implementation of the procurement plan timely. The APC raised a concern about the challenges pertaining to the implementation of the procurement plan. The APC recommended that the process for the appointment of contractors would need to be

		reviewed by the management to improve the performance of service. The APC suggested that the CFO should provide a supporting role in the MMs office. The CFO should be more proactive in supporting the implementation of the procurement plan. The APC Mr Tshangana suggested that the board would maybe had to relook the role of MPAC pertaining the issue of investigations; Mr Tshangana explained that the circular from treasury stated clear that MPAC is a political oversight committee, but at administrative level, the management supposed to ensure that investigations process conducted, and then reported to the MPAC for recommendation. The APC Mr Tshangana suggested that the board would have to make ensure that the process of investigation conducted properly in clearing historical expenditure. The APC noted the explanation submitted by Mr Tshangana; the APC recommend that the issue raised by the Mr Tshangana should be considered in the next meeting for better advice. The APC asked the management to respond on the gaps that were identified in relation to the procurement plan and gaps on the investigation processes as the per circular from treasury. The APC informed the management that there was an obvious risk of not adhering to the procurement plan; and the APC gave management that liberty to respond. It is a strategic risk that might impact the service delivery. The CAE indicated to the APC that the RMC had identified a similar risk and had an explicit recommendation of an emergency plan to respond immediately. The CAE recommended that the emergency plan should be shared to the APC so that the IA should be able to report on the progress made. The plan should be shared to the APC without waiting for the next sitting of the APC. The APC concurred with the CAE, and APC requested the CAE to facilitate the engagement with the Accounting Officer on the matter. The CAE noted the recommendation of the APC and committed to implement the recommendation.

		The APC had a hope that the Chairperson of Financial Misconduct Board had an access to the Council, and the APC suggested that the Chairperson of Financial Misconduct Board Chairperson should maybe interact directly with the Council on issues that are falling within the terms of reference of the FMB. The Chairperson of FMB noted the input of the APC, and he then committed to further engage with the accounting Office on issues pertaining to the FMB. The APC Chairperson enquired to the CFO whether she received comments that were shared on section 52 (d) that need to be addressed. The CFO confirmed receipt of the comments that were shared by the APC chairperson, however, she informed the APC that she couldn't action anything but an email was sent to APC Chairperson. The APC Chairperson explained that there were some recommendations about areas that needed to be corrected on the report (section 52 (d). The APC informed the CFO that they were expecting those comments would be taken into account by the CFO on her presentation. The APC noted that the CFO had presented the same report, therefore, the APC had hoped that the CFO would incorporate those comments on the next report. The APC Chairperson recommended that the issue of debtors revenue collection and performance service should be added in the list of issues that would be considered for further engagement. The APC Chairperson raised a concern that the management continued to report challenges of customers that were not paying. However, the APC had a been requesting the management to prepare a report that tracks the challenges pertaining the debt collection. The APC had a concern that they did not find reliability between the non-financial and financial component. The APC had not get the correlation between the two reports, **Risk Adjusted Strategy (Implementation status report) – Grants:** The APC Chairperson informed all that the item for RAS was removed on the agenda, but during the discussion of section 52 (d) some of deliberations were related to RAS, therefore, the APC requested the CFO to also highlight on issues pertaining to RAS.

		The CFO reported that the risk adjustment strategy serves as an advancing plan that assists the municipality to comply with DORA. The CFO explained to the APC that according to RAS the municipalities were required to spend 60% of the entire allocation by December; However, the DORA (division of revenue act) required that the municipality should spent at least 45% of the annual allocation by December. The APC noted the explanation given by the CFO about RAS. The APC noticed that there was an obvious risk for not adhering to the procurement plan. The APC advised that management should consider RAS as key aspect that needs a full attention of the management to ensure that it is properly located. The APC also recommended that the Risk Committee should also monitor to ensure that all possible risks were adequately addressed in the risk registers. The APC recommended that the comments that were shared by the APC Chairperson *should be incorporated* on section 52 (d) to the CFO. The APC resolved to note the section 52 (d) report subject to all of the recommendations that had been made by the APC.
14 May 2024	The CAE tabled the following reports to the APC: • Internal Audit Report: SCM and Expenditure Management • Internal Audit Report: DORA and RAS • Internal Audit Report: Panel of Consultants – IDMS • Internal Audit Report: Deviation for Short-term Insurance • Internal Audit Report: Water Service provision • Internal Audit Report: Contract Management	The APC Chairperson requested the CAE to present all the reports as populated on the agenda. The APC Chairperson suggested that the CAE should present all report and the APC would submit the comments. The APC Chairperson requested the CAE to summaries the IA report within eighteen minutes. The CAE tabled the following reports to the APC: • Internal Audit Report: SCM and Expenditure Management • Internal Audit Report: DORA and RAS • Internal Audit Report: Panel of Consultants – IDMS • Internal Audit Report: Deviation for Short-term Insurance

		• Internal Audit Report: Water Service provision • Internal Audit Report: Contract Management **Internal Audit Report: SCM and Expenditure Management** The CAE submitted the Internal Audit Report relating to SCM and Expenditure Management as from 01 July 2023 to 31 January 2024 of 2023/24 financial year. The CAE explained to the APC that the SCM contained issues relating to Q2 but also included the issues relating to January 2024. The CAE informed the APC that the SCM audit is quarterly ongoing exercise. The CAE gave the executive summary the key aspects for the APC to note process. The CAE touched on issue regarding to the award that has been made outside the validity period, which constitutes an irregular expenditure. The minutes of the BID adjudication committee was also not signed by all members in terms of the participants. The tender opening register was not publicized on the municipal website. The CAE reported on all the key aspects as detailed documented in terms of the internal audit report on SCM and Expenditure Management. **Internal Audit Report: DORA and RAS** The CAE submitted the Internal Audit Report relating to relating to Compliance with DORA and RAS for 2023/24 financial year. The CAE informed the APC that the DORA and RAS is an ongoing exercise as the management had to report on RAS quarterly exercise. The CAE reflected that the management spent 53% in terms of the MIG as at the 1st January 2024, compared to the 60% as desired by the RAS. The CAE reported on the summary as documented on the report. **Internal Audit Report: Panel of Consultants – IDMS** The CAE submitted the internal audit report relating to panel of consultants – IDMS.

		The CAE gave summary report pertaining the of the panel of consultant. The CAE informed the APC that they had engagement with the management to sustain the question of re-advertisement. **Internal Audit Report: Deviation for Short-term Insurance** The CAE informed the APC that the report (**Deviation for Short-term Insurance**) was brought for updating the APC based on the discussions in the previous submission. The CAE had an agreement with management pertaining the issues that were raised on **Deviation for Short-term Insurance**. However, the CAE explained that the report was brought again to the APC because in the previous meeting the APC resolved that the report should taken back to the management. The CAE explained that the report was submitted based on that resolution even though the management had attended the issues that were raised on the report. **Internal Audit Report: Water Service provision** The CAE submitted the Internal Audit Report relating to Water Services Provision of quarters one and two of 2023/24 financial year. The CAE informed the APC that that they had audited of the water service provision audits to looked at the mandate and on what is expected in terms of the water quality. The CAE reported on the summary as documented on the report. The CAE informed the APC that they utilized the risk register in terms of knowing the key issues that should be considered by IA. The CAE gave the report on those issues as detailed on the report for the attention of the Audit Committee. **Internal Audit Report: Contract Management** The CAE submitted the Internal Audit Report relating to Contract Management. The CAE informed the APC that there no were no disagreement on the contract management report, but the CAE had to put forward the high-level overview of the summary issues. The CAE informed the APC that on the issue of contract management, there was a prevailing

		evidence of having a inappropriate contract management processes; for example IA had identify issues of lack of updated contract register, and also identify that project on the contract register but does not appear on the list of the awarded projects. The CAE gave the summary reported on the issues that were raised by IA as documented on the report. Comments on the IA reports presented by the CAE: The APC was concerned about some management comments that were provided by the management when responding on issues raised by internal audit. The APC encourage the management to work collectively and respect the process in order to achieve the desirable goal. The APC advised the management to work hand in hand with the internal audit in ensuring that the issues are being addressed in a proper manner. The APC advised the management should communicate with the APC when there are gaps in internal audit. The APC recommended that the management should dealt with root causes when addressing the issue identified by the IA in order to address the real problem. The APC recommended that the management should take the matters of irregualar expenditure take to council and council refers it to MPAC. The APC recommended that the MPAC should conduct investigation or make some recommendation for write-off. The APC informed the management that where there is a need for consequence management that be recommended and be actioned. The APC informed the management that the report pertaining the water service is much concerning as the water service authority. The APC The APC was concern about the issue of supplying water that is not properly treated in terms of the treatment works. The APC enquired whether they had capacity to managed the issues around water supply treatment. The APC resolved to note internal audit reports.

14 May 2024	**RISK MANAGEMENT REPORT**	The APC Chairperson gave an opportunity to the Risk Manager to present the risk report. The RMC Chairperson firstly gave an overall report on the emerging issues risks. Risk Manager brought the risk report to the APC for noting. Risk Manager presented the entire report to the APC. The Risk Manager reflect on the dashboard, the status for quarter three. Risk Manager informed the APC that the report reflected on all quarters from quarter one, quarter two and quarter three to track check the improvement on risk issues. Risk Manager informed the APC that the municipality was sitting at 56% in terms of addressing the issues that were due in that period. Risk Manager informed the APC that the municipality did not perform well where 25 issues were not reported at all by municipality. Risk Manager informed the APC that they had seen the improvement in Q 2 after management sittings and the tone at the level of senior management, where there was a significant change on issues that were not reported, and the overall achievement was sitting at 76% in quarter two. Risk Manager also confirm the improvement in Q 3, there was only one issue that was not reported by management, and the reason for that has been provided on the narrative part of the report. Risk Manager reported on the progress status as per the departments as documented on the report. The APC appreciated the Q 3 report presented by the Risk Manager. The APC Thank you so much for the report, the third quarter report. The APC enquired about the risk register for 2025. The APC asked on how far in developing the risk register for 2025. The APC recommended that the management should consider the development of the risk register for the financial year 2024-2025. The APC recommended that management should consider the IDP objectives and SDBIP targets as soon as the IDP gets to be adopted. The APC recommended that the Risk Manager should identify risks on those objectives as they

		are in the IDP and the targets as they are in the SDBIP. The Risk Manager should identify risks that talks to those in particular at a strategic level as well as operational level. APC recommended that the Risk Manager should take note of the hotline. APC recommended that the Risk Manager to be vigilant with the risk related to climate change. The APC informed that the water services report was concerning; the APC asked whether the IA reports and AG findings should be taken into account when identifying the risk. The APC informed that there was still a few areas that I need the management to look closer in particular those that were improving that need internal coordination failures. The APC appreciated the improvement from the previous report. The APC had hope that the management would work on areas that remain outstanding. The Risk Manager presented the risk report that reflect the status of the implementation of the risks that were identified on the risk register. The APC that the risk manager should identify the risks that would affect the objectives and targets. The APC advised the risk manager to consider the issues of climate change risks**.** The APC noted the reported progress. The APC recommended that the management had taken into consideration IA and AG reports risk identification. The APC recommended that management should consider the issues that were raised by AG on the risk assessment. Risk manager appreciated the inputs of the APC that would had impact on the development of risk register.
	LITIGATION REPORT	The APC informed the management that litigation is a standard report to the APC, but at the time of adopting the agenda the report was deferred. The APC informed the management that they were expecting to get an update on legal matters. The APC asked the management to give guidance pertaining the non-submission of litigation report to the APC.

		The Acting MM firstly apologies to the APC about the non-submission of litigation report. The Acting MMM informed the APC that the litigation report that was available but has not been presented to management committee. The Acting MM explained that litigation was delayed in the management meeting due to other urgent matters. The Acting MM apologies to the APC and committed that the report would be available on the next proposed Special APC meeting.
	INTERNAL AUDIT REPORT – AUDIT ACTION PLAN	The CAE appraised the APC on the implementation status of the Audit Action plan in addressing the matters that were raised by the Audit General. The CAE reported that the ANDM has been subjected to the external audit processes by AG, and obtained unqualified audit opinion with emphasis of matters, mainly: • Consequences Management: Investigations fruitless and wasteful expenditure • Irregular expenditure • Expenditure Management • Water losses The CAE informed that the ANDM still had some challenges in terms of the above key aspect. The APC enquired whether the management had consulted the National Treasury to assist the municipality on the investigation of irregular expenditure or fruitless expenditure. The APC recommended the Acting MM to consult National Treasury pertaining the issue of investigation. The APC advised that the issue of irregular expenditure should be a standing item in the MPAC.
18 April 2024	**QUARTERLY PERFORMANCE REPORT S52 D REPORT (NON-FINANCIAL COMPONENT)**	The Acting MM gave an overview report of the quarterly performance report s52d. The Acting MM informed the APC that the municipality had huge improvement with 94%. The Acting MM informed the APC that where there was a shortfall the department had been accountable.

		The Acting MM informed the APC that they had a close relation with internal audit and the reported performance improvement had been confirmed by the internal audit. The Acting MM emphasised that the improvement as they compared to previous year and when comparing to Q1 and Q2. The Acting MM handed over to the DSG to present the full report (quarterly performance report) to the APC. The DSG firstly greeted everyone present APC, Leadership, Management and all the stakeholders. The DSG presented the quarterly performance report to the APC. The DSG confirmed the results that was reported by the Acting MM regarding the improvement of the performance. The DSG confirmed that overall Institutional performance score achieved for the Quarter Three (3) of 2023/2024, ending 31 March 2024 was 94% which is improvement compared to the previous Quarter Three (3) for 2022/2023 financial year performance of 88%. The DSG further reported on key Performance Areas and Organisational Strategic Goals. The DSG informed that the municipality had adopted those key Performance Areas and Strategic Goals for the purposes of reporting on the attainment of the Institutional performance indicators and targets. The DSG touches the Finance Governance as the part of the performance exercise. The DSG reported on the Overall Institutional Performance Per department as detailed on the report, that the organization was expected to achieve 159 KPIs for this financial year, however, the actual achieved KPIs were 150 and nine KPIs were not achieved. The DSG concluded the presentation with the dashboard that reflects the performance results per department as detailed on the report. The DSG reported that the full results of the performance was document on the attached annexure. The DSG reported the graph results that interprets the reported performance on the dashboard.

		The DSG reported the Comparison of Quarter Three (3) Performance for the period 2022/23 and 2023/24 as documented on the report. The DSG reported results as the per department as illustrated on the table reflecting the 2022-23 and 2023-24 performance. The DSG also give an indication in terms of Performance Overview National Key Performance Areas (NKPAs). The DSG informed the APC that they had documented chapter 12 as per the guidance of the APC; Profiling of Non-Achieved Key performance Indicators (KPIs) as at 31 March 2024. The DSG informed that the HOD had profiled the KPIs that were not achieved. The DSG further report all the chapters of the report up to the conclusion of the report. The APC Chairperson appreciated the work reported by the DSG concerning the performance report. The APC Chairperson recommended that the CAE should present the Internal Audit review on Performance Information and thereafter the APC would comments on both report (**Quarterly Performance Report s52 d report (non-financial component) &** Internal Audit Review Performance Information)
	INTERNAL AUDIT REVIEW PERFORMANCE INFORMATION	**INTERNAL AUDIT REVIEW PERFORMANCE INFORMATION** The APC noted the report as presented by the DSG on the performance for third quarter. The APC requested the CAE to inform the APC about the Internal Audit reviews on the reported performance. The APC Chairperson suggested that the APC would comment on both reports (Q3 performance report and IA Reviews on Q3 performance report). The CAE gave a summary report in terms of the reviewing of the performance information in terms of paragraph 10.1 performance per department. The APC Chairperson asked the CAE to report the entire Internal Audit Performance Information Reviews. The CAE reported the summary findings as documented on the report and concluded with results that were document on the dashboard.

		The CAE confirm that the reported performance had been supported by the adequate POEs. Appropriate support with the efficient evidence. The CAE confirmed that in terms of the narrative report for each department. APC Comments: The APC Chairperson acknowledge the reports presented by the management (performance information and assurance exercise that was presented by the CAE. The APC Chairperson gave an opportunity to the APC members to comment on both presentations (performance information report and internal audit review on performance information). The APC appreciated the exercise that was done by the management on the performance information and acknowledged the exercised that performed by the internal audit. The APC appreciated the work performed by the Internal Audit and further explained they (APC) had a view that the AG should start to consider the work of internal audit relating to the audit of performance information. The APC informed the management that the financial part on the reported performance was not considered on the report. The APC explained that reported performance did not reflect the budget in relation with the reported performance. The APC enquired whether the budget talk to the reported performance. The APC enquired whether the delays on the procurement was reflected on the performance. The APC requested the management to report on the individual assessment. The APC advised that the Internal Audit should also consider the review pertaining the performance of service provider. The APC requested the IA to consider the review on the performance of service. The APC recommended that the APC work Plan should be confirmed in lined with the agenda of the APC Meeting. The APC acknowledged the layout of the report; however, the APC recommended that the management iron-out some parts of the report.

		The APC recommended that the management should consider these areas on the performance report: • The performance of service providers • The budget that relate to the reported performance • The individual assessment • The planning risk – the preplanning must be tackled in time - reason for non-performance at IDMS • The monitoring of procurement plan – pertaining the implementation of the procurement plan • The MNE process still had some gaps – the MM must be able to map up – the information must be captured on the system on a monthly basis • Contract management risk – the management should looked on the risks pertaining the issue of contract management appropriately • The data analysis • The issue of preplanning pertaining the execution of the procurement plan • The APC was not happy with the reported performance at CPS • The management should consider be able to link the actually expenditure relating to the reported budget • Revenue collection – the target pertaining the collection need improvement. • The AGSA should place reliance on the work performed by the IA – the reliability of the IA s • The verification of performance by the IA to confirm for the project expenditure or the work performed on the ground Management Comments – the budget being reflected on the reported performance – the MM confirmed that there was a report – to reflect the actual budget that was on the particular reported performance target Procurement plan – the Acting MM reported challenges pertaining concerning the procurement plan such the undesirable response on advertised projects. However, the Acting MM promised informed the APC that the challenge of procurement had been considered at the managerial level. The Acting Management informed the APC that the procurement plan is a standing item on the agenda of the Management Committee meetings. The management noted the comments that were raised by the APC and committed to improve on areas that raised by the APC.

		The DSG promised that they are going to develop a chapter that would reflect the financial analyses relating to the reported performance targets. The performance of the CPS – the Acting Senior CPS noted the comments raised by the APC and committed that they would tried to improve CPS performance on Q4. The APC noted reports (performance information report and internal audit review on performance information).
	FINANCIAL REPORT SECTION 52(d) QUARTER THREE 31 March 2024	The APC Chairperson invited the Acting CFO to present the s52d Q3 report financial components. The APC Chairperson advised the Acting CFO to focus on the areas that relates to the reported target performance. The APC Chairperson requested the Acting CFO to also consider the comments that were share by the APC Chairperson. The APC Chairperson advised that the Acting CFO should provide clarity on the issues that were shared by the APC Chairperson to the Acting CFO. The Acting CFO presented the of Section 52(d) to the APC. The Acting CFO indicated that they as guided by the section 52 (d) that they should prepare a report in every quarter; and to submit to the Section 52 (d) report to the municipal Council within the 30 days at the end of each quarter, submit a report to council on the implementation of the budget and the financial state of the municipality. The Acting CFO firstly appreciated the comments that were shared by the APC Chairperson. The Acting CFO reported on the following areas of the Section 52 (d) reports: Budget Statement Summary as at 31 March 2024 Grants performance as at 31 March 2024 Project Expenditure Report Withdrawal report as at 31 March 2024 Payroll report as per Section 66 of the MFMA Payments Report Vat Recovery Report

		Asset Management Report Report on implementation of procurement plan Report on orders irregular expenditure & deviations Report on contracts management and performance of service providers Revenue and Debt Management Investments Management Grants and Subsidies Recommendations APC Comments: The APC commented on the following components of the report: • The APC appreciated the comprehensive report presented by the Acting CFO • The APC Chairperson submitted comments to the Acting CFO for consideration • The RMC enquired whether the management had mitigation plans that were put in place concerning issue of grants that were taken by the National Treasury that were taken back at Treasury. • The RMC enquired about the operating surplus whether it was because of positive delivering in terms of the expenditure • The service charges • The RMC requested clarity on the following items: • The service charges • Operating surplus • Services charges • SARS payment • Inventory management – preventive control • Diesel issues • Employee cost • The components of asset management • Duration of contracts - the renewal of contract– procurement process • Government collection • Billing estimate on the system The Acting MM commented on the issue of grants that were taken by the National Treasury: The Acting MM informed about the WSIG grant – the grant was taken due to non-performance; the municipality did not have the expenditure that was required according to division of revenue act The APC noted the report subject to consideration of the comments that were raised by the APC and RMC.

18 January 2024	**Auditor General – Audit Report 2022-23**	The APC Chairperson recommended that AG should mainly focus on the issues that would assist the municipality to achieve the clean audit. The APC Chairperson also requested the AG to comment on the audit action plan. The AG Senior Manager, Mr Ndabambi appreciated the opportunity and greeted all that were present in the meeting. The AG Senior Manager Mr Ndabambi gave an opportunity to Ms Makubalo to present the report. The AG Manager Ms Makubalo informed the APC that they had no findings on the performance information The AG Manager Ms Makubalo reminded that in the previous year, the municipality had a disclaimer on performance information, however, on the current audit (2022-23) AG had performed a proactive audit that was requested by the council and by the Audit committee on the SDBIP The AG Manager Ms Makubalo informed the APC that the exercise of proactive audit assisted a lot because the municipality didn't have any findings in the performance information so our The AG Manager Ms Makubalo informed APC that they had only two compliance findings on the following areas: • Expenditure Management • Consequence Management **Expenditure management** – the AG Manager Ms Makubalo informed the APC that the municipality did not take reasonable steps to prevent the **irregular expenditure** of R34.1 million that were disclosed on the AFS. **Consequence Management** – The AG Manager Ms Makubalo informed the APC that the fruitless and wasteful expenditure incurred was not investigated to determine whether there was a person liable for the expenditure. The AG Manager Ms Makubalo informed the APC that the municipality had no additional fruitless and wasteful expenditure on the current year 2022-23. The AG Manager Ms Makubalo informed the APC that the above two compliance matters might hinder the municipality in getting the clean audit.

		The AG Manager, Ms Makubalo informed the APC that the outstanding part was the investigation of the fruitless and wasteful activities incurred in the previous years. The AG Manager Ms Makubalo submitted an apology regarding the matter of the audit action plan. Ms Makubalo promised to the APC that the she would review the audit action plan and submit the comments to the CAE. The AG Manager Ms Makubalo promised to share the inputs on Monday, 21 January 2024. Annual Report- AG Manager Ms Makubalo explained to the APC that they received the Annual report on the 18 January 2024, however, AG Manager Ms Makubalo committed to review the annual report and send back to the management. The AG Manager Ms Makubalo recommended that the management would prepare a final report after the comments of the AG had been effected on the report. The AG Manager Ms Makubalo requested the management to submit the SDBIP for the AG to proceed with the pre-audit. The MPAC Chairperson appreciated the work done by AG and their support that brought positive results on the audit outcome of the municipality especially on the performance information. The MPAC Chairperson indicated that it would be proper for management to bring the performance report for the council to endorse the pre-audit on performance information. The MPAC Chairperson indicated that they were still awaiting the report on the fruitless and wasteful expenditure to see whether it was reported to council or not. The MPAC informed the APC that they would not be able to deal with these matters without getting confirmation that a report was taken to council. The MPAC Chairperson encouraged the management that they should quickly submit the report on fruitless and wasteful expenditure so that the MPAC resume immediately investigate those cases. The MPAC Chairperson suggested that if the report was submitted to the Council before the

		term of his office, the council resolution would be sufficient for the MPAC to proceed with the process of investigation. The MPAC Chairperson felt the importance of clarifying some of the issues delayed the MPAC to proceed with investigation of some of the cases. The MPAC Chairperson proposed that they would invite the AG to the MPAC meeting in trying to seek assistance on some of the aspects relating irregular expenditure on historical cases. The MPAC Chairperson informed the APC that they are committed to achieving a clean audit. The RMC Chairperson appreciated the report as presented by AG. The RMC Chairperson suggested that the management should not only looking on the issues that were raised by AG, but, the management should looked at the overall internal controls of the organization and all the possible risk. Therefore, the RMC Chairperson suggested that the management should make a full assessment of the internal control when preparing the Audit action plan. The RMC Chairperson indicated that the AG had raised the issues of investigation and issues of consequence management. Therefore, the RMC Chairperson suggested that the management should also consider the consequence management. The RMC Chairperson suggested that the municipality needs The Acting Municipal Manager acknowledge the work performed by the APC to improve the audit opinion of the municipality. The Acting Municipal Manager acknowledged the comments and recommendations of the APC on the AFS and on APR. The Acting Municipal Manager informed that the APC had played a vital role for the ANDM to get a better audit opinion. Lastly, the Acting Municipal Manager explained that the APC putted a tremendous amount of time scrutinising the AFS and APR in ensuring that the municipality produce a quality report.

		The APC informed the AG Senior Manager Mr Concerning the reliance on the IA work – the AG Manager Ms Makubalo informed the APC that they (AG Senior Manager Mr Ndabambi and AG Manager Ms Makubalo) would discussed it and get back to the APC
	QUARTER TWO REPORT PERFORMANCE MANAGEMENT 2023-24 (NON-FINANCIAL COMPONENT)	The APC Chair appreciated that the report for the performance management was submitted to the APC in time. The APC Chair requested the Director Strategic Governance to brief the APC on a high overview of the report. The APC advised that the CAE would present the internal audit comments on the performance management report and the APC would submit on both reports. The Director Strategic Governance appraised the APC with the overview of the performance management report (Q 2) 2023-24 for noting by the APC. The Director Strategic Governance focused on the key areas of the report: The Director Strategic Governance reported that the overall Institutional performance score achieved for the Quarter 2 of 2023/2024, ending 31 December 2023 was 86% which showed an improvement compared to the previous 2022/2023 financial year performance of 75.3%. The Director Strategic Governance reported on the Performance Per department as detailed on the report. The Director Strategic Governance reported to the APC that most of the department had improved on Q 2 except the slight decline of 1% at BTO. The Director Strategic Governance reported on disclosure notes that the report excludes Customer Care report as there were not targets for all 4 quarters submitted as part of the SDBIP which had annual targets and activities planned for each quarter. The Director Strategic Governance informed the APC that the Customer Care Unit will not be able to document any performance as there were no milestones set for all quarters. The Director Strategic Governance informed the APC that the rectification could only be affected during mid-year reviews. The Director Strategic Governance informed the APC that the execution of the service provider

		had been attached as annexure on the performance management report. The Director Strategic Governance informed the APC that the municipality in overall achieved 86% of set targets for the second Quarter of 2023/24 Financial Year. Lastly, the Director Strategic Governance informed the APC that the APC that the municipality could meet all the non-negotiables as set in the Risk Adjusted Strategy developed by COGTA in the province. The Director Strategic Governance informed the APC that an improvement plan has been developed for the third Quarter. The Director Strategic Governance informed the APC that the Accounting Officer would implement stringent compliance and improvement plans on project performance and expenditure of Conditional Grants in the Third Quarter. The APC noted the progress report on the Q two performance report. The APC recommended that the CAE should present the IA comments on performance management report, thereafter; the APC would submit comments on both reports (performance report and IA comments on the performance management report).
	INTERNAL AUDIT COMMENTS ON PERFORMANCE MANAGEMENT REPORT – Q2 AND MID YEAR	**INTERNAL AUDIT COMMENTS ON PERFORMANCE MANAGEMENT REPORT – Q2 AND MID YEAR** The CAE appraised the APC with an Internal Audit Report relating to Performance Information Review as at 31 December 2024. The CAE gave an assurance to the APC that the quarterly performance information (Q1 & Q2) had been checked by the IA. The CAE highlighted the actual overall performance for each department as shown on the report. The CAE confirmed to the APC that all the department has been report as per the approved SDBIP. The CAE reported that they had minor issues, but they had the ongoing engagement with the various departments.

		The CAE reported to the APC that the CPS and PED had managed to achieved the 100% The CAE report that they had an agreement with the management that the outstanding targets at IDMS would be achieved in Q 3. The CAE reported that non-achieved target would be taken into considered during budget adjustment. The APC noted the progress report presented by the CAE on the The APC welcomed both reports (performance report and IA comments on the performance management report), however, the APC had a concern with the score of 80, not sure whether it was for the targets for the two quarters or for the whole year. The APC requested the management to provide clarity. The APC requested the management to provide the reasons for non-achievement of targets relating to SCM processes. The APC wanted to understand whether the root causes have been with the end users of the specs or with the SCM in committees that are not sitting. The APC advised that the management should ensure that the recovery plan addresses the mechanisms in the system. The APC needed to get assurance from internal audit whether it's what is the assessment of the of the risk or underlying issues around this targets that have not been there a shaved if they've done that assessment at all then the second point The APC suggested that the management should have an overall plan that would recover all the non-performance (non-achievement) that were demonstrated on the performance report. The APC explained that MID-year is very key for the council as a budget adjustment triggers performance issues in the municipality. The APC informed the management that the report was not showing which grants that had not been achieved in terms of the conditional grants. The APC recommended that the management should consider the verification of projects on the ground when the invoices are submitted. The APC recommended that the management should consider the project risk assessment in

		ensuring that the process of invoice corresponds with the work on the ground. The APC commented that the performance report should reflect those programs that were posing a risk in terms of completion. The DSG responded that the 86% was based on the number of target that were set for Q2 in terms of the SDBIP. The DSG noted the issue of the non-performance of service provider and DSG committed to take forward to the Acting Municipal Manager for further consideration. Recovery plan – the DSG informed the APC that remedial actions for Q1 would be monitored to be addressed in Q 2 and remedial action for Q 2 would be tracked during the review of budget adjustment. The DSG responded on the issue of circular 88 that management would responded within the prescribed timelines. The CAE noted the deficiency of verification of the reported achieved target on the ground and the CAE informed that would commence the process to engage with COAGTA to assist the municipality. The APC noted the process of seeking assistance to COAGT or Provincial Treasury pertaining the verification of projects on the ground. The APC had a hope that the exercise would yield good result and the reporting part of that exercise to the APC would arranged by the CAE in terms of the internal audit risk based plan. The APC informed the CAE that they would get from the CAE on how the exercise the report flow to the APC in terms of the internal audit risk based plan. The BTO Manager Ms Kuzo requested PMU Manager Mr Cwele (sitting on behalf of IDMS) to clarify the issue of the two contracts that did not performed well. The PMU Manager Mr Cwele tried to respond, but the network hindered him to respond properly. The APC Chairperson asked him to find position that would allow him to get clear connection. The DSG noted all the comments of the APC and committed that the proposed amendment would be considered by the management.

		The DSG reported to the APC the tool that were introduced on the APR that was audited by the AG. The DSG informed the APC that the tool (template) that reflects the targets that were not achieved. The DSG informed the APC that if the tool would be accepted by the APC, it would be used for the target that were not achieved on Q 2 and on MID-Term. The APC informed the management the APC would appreciate any best practise that would assist the management to improve the performance. The APC advised that the management should develop a tool that would track the performance of service providers within the municipality. The APC resolved to note both reports (quarter two report performance management 2023-24 (non-financial component and internal audit comments on performance management report – Q2 and MID year).
	Quarter Two Report Performance Management 2023-24 (Financial component)	**Quarter Two Report Performance Management 2023-24 (Financial component)** Ms Khuzo appraised the APC with Quarter two Report Performance Management 2023-24 (Financial component). Ms Khuzo highlighted on key areas of the report and thereafter the APC Chairperson gave an opportunity to the APC to share their comments and allowed Provincial treasury share their comments as follows: **Mr Groom commented** on the issue of government debt ,Mr Groom enquired whether the UIF&W reduction strategy effective as the Municipality incurred Irregular Expenditure in 2022/23 financial year The APC enquired whether the Provincial Treasury and COGTA had any action towards the issue of government debtors. Mr Mfo responded to the APC that they (COGTA and Provincial Treasury) in collaboration with SALGA were sitting every quarter to persuade the sector department to pay their debt.

		Mr Mfo informed the APC that they had a challenge with the health departments; they are not honouring payment of their municipality debt. Mr Mfo informed the APC that the health department always complained with the shortage of funds to pay the municipalities, however, health had made a certain payment at ANDM even though it was not enough. Mr Mfo informed the APC that they had the same challenge with the entire eastern cape of health departments not considering debt payment to the municipalities. Mr Khuzo requested to engage aside with Mr Groom pertaining to the government debt. The APC informed Ms Khuzo that the APC had been requesting the statistics pertaining to the issue of debtors, but it was never provided to the APC. The APC had concern that the APC had been requesting to be provided with information pertaining to debtors and revenue. The APC recommended that the management should develop the by-laws and present to the council. The APC recommended that the debt records should be clear and follow-up should be made to corporate governance. The APC recommended that the section 52 (d) should be submitted to the Council with the clear recommendations on areas that require adjustments. The APC recommended that the section 52 (d) should be stated clearly in terms of motivation for recommendation of adjustment. The APC recommended that the section 72 report should be submitted to council before 25 January 2024 and thereafter submitted to the National and Provincial Treasury. The APC recommended that management should make some editions and submit them to the Council before the 25th to the Council. The APC Chairperson enquired whether the APC supported the resolution submitted by Mr Zulu pertaining the section 52 (d) report.

		The APC Member Mr Tshangana and RMC Chairperson supported the recommendations. The APC recommended deferred the issue of by-laws for the next meeting in order to get a concrete response. The APC recommended that management should make a recommendation to the council. The Director Strategic Governance noted the deliberations and recommendation pertaining to the issue relating to revenue and debtors.
	Internal Audit Comments on Performance Management – Q 2 and Mid-Term 2023 -24	**Internal Audit Comments on Performance Management – Q 2 and Mid-Term 2023 -24** The APC Member Mr Zulu had to proceeds with the conclusion of the agenda since the APC Chairperson was disconnected. The CAE was given an opportunity to present the Internal Audit Comments on Performance Management – Q 2 and Mid – Term 2023-24. The CAE informed the APC that the Q1 and Q2 had been consolidated and the financial component was reflecting on the system. The CAE informed the APC that IA didn't identified any error in relation to the expenditure component. The CAE informed the APC the issues relating to PMU would be corrected on the adjusted budget. In terms of RAS, the CAE informed the APC that in the next meeting would prepare a specific report.
	RISK ADJUSTED STRATEGY (FRAMEWORK) REPORT	The Director Strategic Governance informed the APC that the entire report would be presented by Risk Manager (Mr Khambula). However, the Director Strategic Governance requested to start with the presentation of the framework that guide the processes of RAS. The Director Strategic Governance informed the APC that the report (ANDM Risk Adjusted Strategy (RAS) Implementation Framework 2023 that was the biological mother of Risk Adjusted Strategy (RAS) report that would be presented by Risk Manager. The Director Strategic Governance presented to the APC the key area of the report (ANDM Risk Adjusted Strategy (RAS) Implementation Framework 2023. The Risk Manager presented the actual report of the Risk Adjusted Strategy (RAS) to the APC.

		The Risk Manager informed the APC that the RAS seeks to ensure that practical mitigation, improvement plans are in place to enhance performance, spending of all conditional grants allocated and accelerated service delivery. Risk Manager reported on the following areas: • Municipal Infrastructure Grants (MIG 2023-24). • Risk Manager informed the APC that the municipality was sited at 51,37% on MIG Expenditure. • The Risk Manager informed the APC that the municipality did not meet the required percentage, however, the municipality compiled on DORA requirements. • Water Services Infrastructure Grant (WSIG 2023/24 • Risk Manager informed the APC that the municipality was sited at 3,88% on WSIG **e**xpenditure. • Risk Manager reported to the APC the plan to improve the expenditure on WSIG • Risk Manager reported to the APC the plan to improve the expenditure on MIG • Risk Manager informed the APC that the RAS report tabled for noting by the APC. The Director Strategic Governance added that the component in the report that deals with implications of a DORA municipality escaped possible withholding and related issues. The Director Strategic Governance informed the APC that they would have an engagement with the Acting MM about the status of engagement with the transferring authority in terms of WSIG. The Director Strategic Governance indicated that there might be the possibility of implications of a stoppage in relation to WSIG, however, that is not finally until municipalities receive a status of engagements between Acting MM and transferring authority from the province.

19 FEBRUARY 2024	**ADJUST SDBIP 2023 -24**	The APC Chairperson suggested that the SDG should before the adjusted budget report. The APC Chairperson appreciated that the report subm Chairperson) then suggested that the DSG should foc adjusted SDBIP. The APC Chairperson suggested th where they had specific questions. The DSG appreciated an opportunity offered to the revised SDPIP. The DSG informed all in the meeting that there were APC and at the level of management pertaining to Q2 The DSG informed that the Auditor General also assis period 22-23 in reviewing the SDPIP. The DSG informed the APC that immediately after the they would submit to the Auditor General for their inpu The DSG informed the APC that the first review wo achieved, and those KPIs would be moved to Q3 as pa The second part, the management would be to corre during the SDBIP implementation and would be captur The DSG informed the APC that they had not yet sul informed the APC that their intention was to submit on of the APC had been consolidated. The DSG indicated on the SDBIP would probably be very extensive and th The DSG reported the adjusted SDBIP 2023 -24 and requested the management to make additions on areas that might need to be detailed as per their departments. The DSG informed the APC that on the signed SDBIP, the issue of a tracking tool was considered on the entire process. The DSG informed the APC that the tracking tool was utilized to ensure all the changes were implemented on the SDBIP. The DSG informed that they had seen that some of the projects were moving slowly and because of that, the money had been moved to the active projects. The Senior Manager IDMS confirmed that they had targets that were captured incorrectly in the SDBIP.

		The Senior Manager IDMS reported to the APC procurement of chemicals at WSP side. The Senior Manager IDMS reported that they had tar tanks, and they had a service provider appointed by issued in the third term, therefore, they had to shift th and Q4. The Senior Manager IDMS was interrupted, as she community that were in the IDMS section. Subseque excused in the meeting to attend the community meml The APC Chairperson enquired whether the APC mem questions relating to the IDM performance until the Se The Senior Manager IDMS requested the APC to leav would respond on matters that would need her (Senio The DSG informed that IDMS was the only departmer the SDBIP. The DSG informed that other departments would be ju the internal auditors. The DSG informed the APC that they took lessons principles were actually observed across all KPIs at PI The DSG informed that the internal audit raised abou improvement. The DSG informed that the last issue w the draft SDBIP and the draft reviewed budget.
	INTERNAL AUDIT COMMENTS – ADJUSTED SDBIP AND ADJUSTED BUDGET	**INTERNAL AUDIT COMMENTS – ADJUSTED SDBIP AND ADJUSTED BUDGET** The APC Chairperson gave the CAE an opportunity to present the internal audit reviews on the revised SDBIP. The APC Chairperson asked the CAE to brief the APC on the outstanding, unresolved and or disagreements matters. The CAE informed the APC about the IA's observation on the adjusted SDBIP. The CAE informed the APC that the exercise had been performed to fulfill the subsection of the performance management regulations. The CAE informed the APC that they (IA) raised four fundamental issues relating to the usefulness of the revised SDBIP. The CAE informed the APC that IA had performed reviews to ensure that the adoption of

		the SDBIP complies with the principles as expressed in the SMART principles. The CAE informed the APC that the issue of the alignment had double implications and in other areas, the budget was implicated. The DSG informed the APC that the matters raised by IA had been submitted to the management and after the meeting; the management would finalize their corrective actions. The APC enquired whether the shifting of target to later quarters would not lead delays in procurement processes. The APC enquired whether the management had assessed the accuracy of those targets would be achieved on the procurement. The APC enquired whether the AG findings had been factored in and addressed on the report. The APC recommended that internal audit should provide consulting support to management when correcting the report to ensure the credibility of the report that would be presented to council. The RMC Chairperson suggested that the management should take note that the procurement regulation would be still required on the panel of service providers for fair process amongst those panel members in terms of issues of pricing. The RMC Chairperson further informed that in other local municipalities AG had raised findings relating to the procurement process using the panel of service providers. The CAE informed the APC that the procurement plan would be revised in order to give effect to the adjusted SDPIP. The CAE informed the APC that the IA would review the process to confirm the alignment with the revised SDBIP. The CAE informed the APC that the customer care was identified in quarter one, but management concurred to be considered during the adjustment. The CAE recommended that the management should consider the aspect of a procurement plan to ensure that it addresses the challenges identified by the Audit Committee.

		The CAE informed the APC that IA would also look at the performance agreements of the senior managers to ensure alignment with the new revised SDIP. The CAE noted the suggestion about the aspect of the consulting insofar as the SMART principles. Ms Khuzo concurred with the CAE that the procurement plan would be updated once the SDBIP. The DSG acknowledged the inputs from members of the APC and confirmed that the management would consider matters raised by the APC. The DSG informed the APC that the management would ensure that the procurement plan had aligned with the SDBIP and aligned with RAS timelines Q 3 and Q 4. The DSG informed the APC that the focus on the performance management for senior managers would be on the timelines of the SDBIP and on the timelines set on RAS. The APC further enquired whether the reported progress was credible in making sure that those adjustments were appropriate. The DSG informed that the IDMS team then would assist in ensuring that those progress reports were signed by a project manager, the engineer, and by the head of the department. The DSG informed that the progress reports that would be acceptable would be the progress reports signed by engineers, not a product of management from IDMS. The Senior Manager AGSA Mr. Ndabambi committed to assist in terms of refining the process. The APC appreciated that management has embarked on the process and the effort that the management put in trying to improve the level of performance. The APC resolved to note the proposed adjustments to the SDBIP. The APC resolved to note the findings and recommendations that were raised by the internal audit.

		The APC resolved to note the adjusted SDBIP subject to internal audit findings being considered in the report. The APC resolved that an internal audit had to confirm that their findings had been factored in.
	ADJUSTED BUDGET 2023 – 24	**ADJUSTED BUDGET 2023 – 24** The APC Chairperson suggested that Ms Khuzo should focus on key areas resulted in the adjusted budget. Ms Khuzo highlighted some adjustments that were performed in the adjusted budget. Ms Khuzo informed the APC that they did not have any new project adjustments. Ms Khuzo informed that the only department that included the new project was CDS (Thusong Center) for billboards. Ms Khuzo informed that the IDMS had only one adjustment on the budget, which was under Ntibana. Ms Khuzo informed the APC that for most of the projects the IDMS moved their targets from the first two quarters to the third and the fourth quarter. Ms Khuzo informed the APC about the two refurbishments (Ntibana refurbishment and Matatiele wastewater; where the IDMS moved funds from Matatiele wastewater treatment plant to a sewer network. Ms Khuzo mentioned that those were the shifts that were done on the budget. Ms Khuzo also reported the other changes that were done within the budget. Ms Khuzo informed the APC that the departments made corrections for their respective department budget. Ms Khuzo informed that they did not have any additional funding they received except for the investments that did very well in this financial. The APC resolved to note a presentation from management in terms of the preparation of the adjusted budget. The APC resolved to support the submission to council subject to recommendation of the APC being considered in the report.

	RISK MANAGEMENT REPORT AS AT 31 DECEMBER 2023	The Risk Manager tabled the risk management report The APC noted the improvements particularly on the w The APC noted that IDMS was left behind with 56% ar performance in terms of risk management. The APC commented that the municipality supposedly assist to retrieve the discussion and construct the reso The APC was concerned about the misplacement of th that management should improve the recording syst discussion. The APC requested that in the next report they would r emerging cases had been added into the risk register The RMC Chairperson informed the APC that the mun needed to be improved. The RMC Chairperson informed the APC that she was that was growing. The RMC Chairperson informed the a challenge of collection on the commercial side. The APC informed that they had been asking the ma order to track reasons why the people were not paying The APC informed the management that requested in the APC for them (APC) to apply their minds. Ms Khuzo committed to extracting a report from the s the APC. However, Ms Khuzo explained that the customers were at the municipality as the customers were being billed The APC suggested that management should deal with in relation to the upcoming elections where the c problems. The APC enquired whether the management had reviewing the SDBIP. The Risk Manager informed the APC they had that po some impact in terms of stability of the municipality. The Risk Manager informed the APC that during th channeled to communication sections in order to be consider the high-risk areas. The APC resolved to note the risk report for the period
	INTERNAL AUDIT REPORTS	The APC Chairperson asked the CAE to present all the internal audit reports, and suggested that the APC would comment after all the reports had been presented. The CAE table the following internal audit reports for noting by the APC:

		• Internal Audit Report: Pre-Audit of SCM: Panel of Consultants for Engineering and Legal Services • Internal Audit (Ad hoc): Deviation for Provision of Short-term insurance • Internal Audit Report: Inventory Management • Internal Audit Report: Asset Management (Maintenance) • Report on new developments: Global Internal Audit Standards **Internal Audit Report: Pre-Audit of SCM: Panel of Consultants for Engineering and Legal Services:** The CAE informed the APC that Pre-Audit of SCM, Panel of Consultants for Engineering and Legal Services was a special request by the Office of Municipal Manager. The CAE informed the APC that it was a pre-audit of the supply chain management process in relation to the panel of consultants under the IDMS and the legal services. The CAE informed the APC that IA had only one finding of non-compliance for both panels (legal and engineering). The CAE informed the APC that IA had done an assessment in terms of the bidding process before the appointment has been made. The CAE informed the APC that the municipal manager requested the Internal Audit to make an input. The CAE reported on the service provider that had submitted a bid. The CAE informed the APC that Internal Audit also noted the date of appointment and they benchmark that with the evaluated period as expressed from the advert. The CAE informed that IA had looked at the closing date of the advertisement. The CAE informed that Internal Audit noted that in total the first service provider was out of the validated period by forty days. The CAE informed the APC that the Internal Audit had indicated the implications in relation to SCM. The CAE informed the APC that the Internal Audit reviewed the process and found that the attendees were outside within 36 days in terms of the validated period.

		The CAE informed the APC that IA had done analysis and indicated the implications. The CAE informed that in terms of the risk the IA highlighted the legal implication might arise from the question of due processes and the fairness of the process itself. The CAE informed the APC that IA had engaged the Chief Financial Officer before the acting. The CAE informed the APC that the CFO agreed on the first part in terms of the panel relating to the attendees. The CAE informed the APC that the Internal Audit reviewed the process on a panel of service providers for planning, design, construction, monitoring and capital projects under the IDMS. The CAE informed that IA looked at what providers have been appointed and what is the validity period. For example, the first one was outside for about 145 days. The CAE informed that IA had indicated the implications for the municipality to continue with the appointment of that. The CAE informed that all of them were outside about 120 days, which was a validity period. The CAE informed that IA had forwarded the report to the Chief Financial Officer. The CAE informed the APC that the Chief Financial Officer disagreed on the findings. The CAE informed the APC on that basis the IA retained audit findings for the legal attorneys, panel of attorneys, and the panel of consultants. APC commented (Internal Audit Report: Pre-Audit of SCM: Panel of Consultants for Engineering and Legal Services) – the APC Chairperson commented that there was disagreement from management on the issue that is raised by IA. The disagreement about the significance of the tender validity period that was specified in the advert. The APC enquired whether the BTO had interacted with these reports. Ms Khuzo confirmed to the APC that they had engaged with the IA about the Inventory

		management report, Panel of Consultants for Engineering, and Legal Services report, but the report on Deviation for Provision of Short-term insurance was still going to meet with internal audit. **Internal Audit (Ad hoc): Deviation for Provision of Short-term insurance: The CAE informed the APC that t**he background was emanated from the section 52 (d) report table by the management at the previous APC meeting. The CAE informed the APC that the APC had instructed the internal audit to do some reviews in that aspect. The CAE informed the APC that IA had performed the reviews and communicated the findings to the Chief Financial Office. The CAE informed that IA had also forwarded the audit findings to the Acting CFO. The CAE informed the APC about all the findings concerning the audit of **Deviation for Provision of Short-term insurance**. Ms Khuzo informed the APC that based on the disagreement, the management decided to cancel that contract and next week the BAC would be sitting to appoint other consultants for the engineering. Ms Khuzo confirmed that they disagreed, but they decided to cancel the contract. The APC Chairperson commented that the BTO was disagreeing with a report for **Deviation for Provision of Short-term insurance that did not** make a non-compliance based on disagreement. The APC Chairperson noted that management would engage concerning the **Deviation for Provision of Short-term insurance report.** Therefore, the APC recommended that the report on **Deviation for Provision of Short-term insurance** should be deferred to the next audit committee. The APC Chairperson suggested that the management should amend the responses and provide an internal audit in order to conclude the report.

		APC Chairperson recommended that the APC should note the report subject to the proposed recommendations. The APC noted that the management opted to cancel those contracts. The APC noted that the process would be started from scratch. The APC supported the recommendations made by the APC Chairperson. The APC informed the management that the treasury had provisional guidance relating to validity period. The APC (Mr. Tshangana) promised to share with the management the provisional guidance to strengthen the processes. The APC Mr. Tshangana and RMC Chairperson supported the approval of the internal audit report. **Internal Audit Report: Asset Management (Maintenance):** the CAE informed the APC that IA had tested the asset management on the aspect of the maintenance. The CAE reported findings that were raised by IA. The APC noted there was no disagreement on the issues raised by the internal audit. The APC noted the commitment of the management to deal with the weaknesses identified by IA. However, the APC was not satisfied about the timeframes for the finalization of the asset management plan. The APC commented that the management informed them that the appointment of a service provider that would develop the asset management plan would be finalized before the end of the current financial year. Therefore, the APC asked why management needed so much extra time to finalize the asset management plans. The APC was concerned that the stipulated time was not supporting the agency concerning the state of the infrastructure.

		The APC commented that the CAE had spent much time evaluating these processes to check whether it was working or not. The APC encouraged the management that the internal audit should be provided with the comments that would add value to their work. The APC noted the IA Asset Management report and commitments made by the management. **Internal Audit Report: Inventory Management:** the CAE informed the APC that the IA had nothing material except the control such as signatures. The CAE reported those few issues that the IA did not consider as material, but need to be addressed at the controls level. The APC noted that there was no disagreement on the inventory management on the issues raised by IA. **Report on new developments: Global Internal Audit Standards:** the CAE appraising the Audit Committee as a key stakeholder for just to be consulted on the new developments. The CAE informed the APC that there were developments of new standards issued by the global internal audit body, which are fundamental in terms of guiding work at the level of the internal audit charter, the Audit Committee charter. The CAE informed the APC that the issued standards were expected to be fully implemented next year. The APC commented that the assurance providers are supposed to comply with the standards, and the APC Chairperson supported the early adoption. The APC asked the CAE on how the standards would be implemented at the operational level. The CAE informed the APC that the aspect relating to the external quality assurance was not considered yet by the municipality. The CAE informed the APC that the municipality had accommodated other aspects such as

		internal audit methodology, internal audit charter and audit committee charter. The CAE informed that the provincial treasury would be consulted as they assisted the IA with the exercise of the external quality assurance. The CAE informed that the internal audit charter, audit committee charter and methodology would be reviewed. The APC Chairperson supported the report concerning the new standard and supported early adoption as recommended. The APC Member (Mr Tshangana) and RMC Chairperson seconded the early approval of the new standard. The CAE accepted the report and confirmed that a final report would be available in the next Audit Committee. The CAE noted the recommendation of the Audit Committee on the audit report of the panel of service providers. The CAE noted that they would engage with the BTO to revise the comments. On the aspect of Asset Management, they (CAE) concurred with the APC and committed to prioritize follow-up purposes to examine the process.
	LEGAL SERVICES REPORT	**LEGAL SERVICES REPORT** The APC Chairperson appreciated that the report for legal service was circulated to the APC in time. Therefore, the APC Chairperson asked the manager Legal services to present the key areas of the report in not more than three minutes. The manager legal services table to the APC the legal service report. The Manager Legal service appreciated the opportunity given by the APC Chairperson to present a report relating to litigation issues. The Legal service Manager highlighted a few matters in terms of litigation. The Legal Manager informed the APC that they had only 23 cases.

		The Legal services manager informed the APC that most of the cases were just waiting for court dates. The Legal manager informed the APC that they had tried to resuscitate the dormant matters. In terms of contract management cases, the Legal services manager informed the APC that all new contracts were being signed by the MM. The Legal services manager informed the APC that they were making sure that the new contracts had dispute resolution and where there were disputes, they found a solution to settle those cases. Cases related to supply chain, Legal services manager informed that they had appointed the independent persons to deal with objections in terms of regulation 50 of MFMA on SCM. The Legal service manager informed that in most of the cases were resulted in non-payment of invoices. Pertaining the contract management, the Legal service informed that the legal service was embarking on the issue of reviewing the contract management policy. The APC enquired about the delays of payment to the service providers (what that causing the non-payment) The Legal service manager informed that some of the non-payments relate to dispute services that had been provided by the service providers. The Legal services manager informed the APC that some court cases resulted in a situation whereby the municipality would receive a grant indirectly in terms of water services authority. Legal service manager explained that the service provider sues the municipality while the municipality waiting for the department to pay the municipality amount to pay the service provider. The Senior Manager IDMS responded on litigation matters that were project related. The APC commented that the municipality should have a guide to deal with the issue of non-payment of service providers. The APC advised that the management should have a documented evidence that would reflect the dormant cases in terms of the court process.

		The APC suggested that the Legal services manager should provide the APC with the report on how they dealt with the issue of dormant cases. The APC resolved to note the report presented by the Legal services.
	MINUTES OF THE PREVIOUS MEETING	The APC Chairperson informed in the meeting that she had some editorial comments that would be forwarded to the IA. The APC Chairperson enquired whether the APC members had any substantive comments on the minutes. The APC members had no additional comments on the minutes. The APC resolved to approve the minutes subject to proposed comment that would be shared by the APC Chairperson to the CAE.
16 May 2024	**DRAFT IDP 2024 -2025**	The DSG submitted the draft IDP 2024-2025 Report to the APC for noting. The DSG firstly outlined some inputs that were still outstanding in terms of finalisation of IDP processes. The DSG reported to the APC that the municipality had to adjust timelines from the initial plan to accommodate reality of elections. The DSG informed the APC that the municipality had some consultative meeting with stakeholders that were important to be considered in the process of finalising the IDP. The DSG informed APC about the DDM that was also linked to the IDP document. The DSG informed the APC that the DDM for the district had been reviewed, and it would be tabled to council on the 17 May 2024. The DSG reported that there would be other sitting that would take place next week to finalize their IDP roadshows. The DSG presented the IDP report reflecting to all the chapters that constructs the IDP document. The DSG The APC enquired whether the draft IDP was looked at by COCTA. The APC enquired whether the comments from COGTA were affected on the draft IDP. The requested the management to gave clarity on the issue of endowment in the district.

		The asked the management to explained whether there were any endowment that has been identified or discovered in your district besides water. The APC commented that local government KPAs were clear, but there it was not clear in terms of the risk. The APC commented that APC strategic risk should be part of the IDP. The APC commented that the report should reflect on areas or that could affect what had been planned to achieve. The APC recommended that develop a chapter or subsection below the KPIs. The APC commented chapter on LED that it was not reflecting in terms of how LED to the development agents of the district, and as well as local municipalities in the district. The APC requested the management to confirm the baseline figures on the performance targets. APC advised that the targets be reference with numbers. The APC commented that there were key issues that were highlighted in the strategic session that needed to be accelerated. But, those components were not reflecting on the report. The APC Chairperson handed over to management to interact with all the these comments that were raised by the APC.
	DRAFT BUDGET 2024 -2025	**DRAFT BUDGET 2024 -2025** The APC suggested that the draft budget should be presented before the Internal Audit review report and the APC would look at the internal audit report afterwards. The Acting CFO presented the draft Budget 2024 -2025 financial year. The Acting CFO presented the Excel document. The Acting CFO informed the APC that the document presented was summary summer of the budget. The Acting CFO informed the APC that after the strategic session which was held on the 18 March 2024, they had some resolutions that came from that session.

		The Acting CFO informed the APC that the municipality roadshows that were in April and in May in collaboration with the local municipalities. The Acting CFO informed the APC that the inputs and those were considered on the draft IDP as well as the budget. The Acting CFO presented the memorandum that was a summary of the draft budget. The APC informed the Acting CFO that they (APC) expecting to get the detailed draft budget. The APC explained to the management that the item for budget was deferred in the previous for the management finalise the report. The APC explained that the main purpose for the Special APC was to consider those items that were deferred in the previous meeting. Therefore, the APC requested the Acting CFO to present the actual budget document. The APC and the management had interacted with the detailed draft report. The management noted the comments submitted by the APC and promised that the inputs of the APC would be effected on the report before submission to the council. The APC noted the draft budget 2024-2025.
		INTERNAL AUDIT COMMENTS: IDP & BUDGET 2024 -2025 The Senior Internal Auditor submitting the comments on the review of Draft IDP and Draft Budget 2024/25. The Senior IA gave a summary findings as detailed on the report. The DSG confirmed to the APC that the findings raised by IA had been attended and addressed on the report. The APC noted the report.
		LEGAL SERVICES REPORT The APC Chairperson appreciated that the report for legal service was circulated to the APC in time. Therefore, the APC Chairperson asked the manager Legal services to present the key areas of the report in not more than three minutes. The manager legal services table to the APC the legal service report. The APC resolved to note the report presented by the Legal services.

APPENDIX H: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans/Grants provided by the municipality	**Nature of project**	**Conditions attached to funding**	**Value Year 0 R' 000**	**Total Amount committed over previous and future years**
None				
** Loans/Grants - whether in cash or in kind*				*T R*

APPENDIX I: ANDM ANNUAL PERFORMANCE REPORT 2023 - 2024 FY PERFOMANCE PER DEPARTMENT

The municipality set a **total of 187 Top Layer KPIs for the period 2023/2024, of which all were assessed with 168 achieved and 19 not achieved which translate to 90% Performance Achievement.** All the assessed KPIs contribute to the overall performance level of the combined IDP and adjusted SDBIP Scorecards as reflected in this report. Institutional statistics were as follows:

Performance Per department

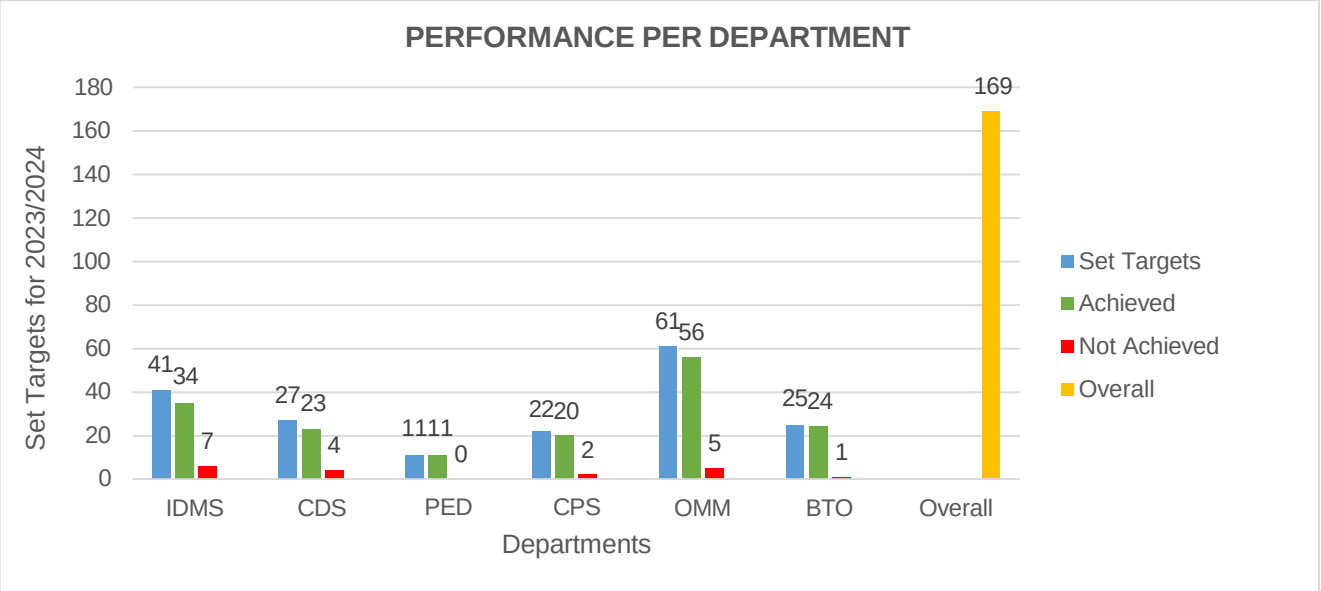
COLOUR CODING

	Targets Not Achieved
	Targets Achieved

DEPARTMENT	TOTAL NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED	% NOT ACHIEVED
Infrastructure Development and Municipal Services (IDMS)	**41**	34	7	83%	17%
Community Development Services (CS)	**27**	23	4	85%	15%
Planning & Economic Development (PED)	**11**	11	0	100%	0%
Corporate Services (CPS)	**22**	20	2	91%	9%
Office of the Municipal Manager (OMM)	**61**	56	5	92%	8%
Budget and Treasury Office (BTO)	**25**	24	1	96%	4%
Total	**187**	**168**	**19**	**90%**	**10%**

Detailed Institutional Performance for the period 2023/24 is presented in **APPENDIX "A"** structured in terms of Key Performance Indicators as appearing in the Adjusted SDBIP for 2023/24.

1.1. Overall Performance Graph per department



Description Notes:

The figure above illustrates that:

a. **Infrastructure Development and Municipal Services** had a total of 41 targets and reported against all 41 targets. Total achieved was 34 targets which translate to 83% and total not achieved was 7 targets which translates to 17%.

b. **Community Development Services** had a total of 27 targets and reported against 27 targets. Total achieved was 23 targets which translate to 85% and total not achieved was 4 targets which translates to 15%.

c. **Planning and Economic Development** had a total of 11 targets and reported against all 11 targets. Total achieved was 11 targets which translate to 100% and total not achieved was 0 targets which translates to 0%.

d. **Corporate Services** had a total of 22 targets and reported against all 22 targets. Total achieved was 20 targets which translate to 91% and total not achieved was 2 targets which translates to 9%.

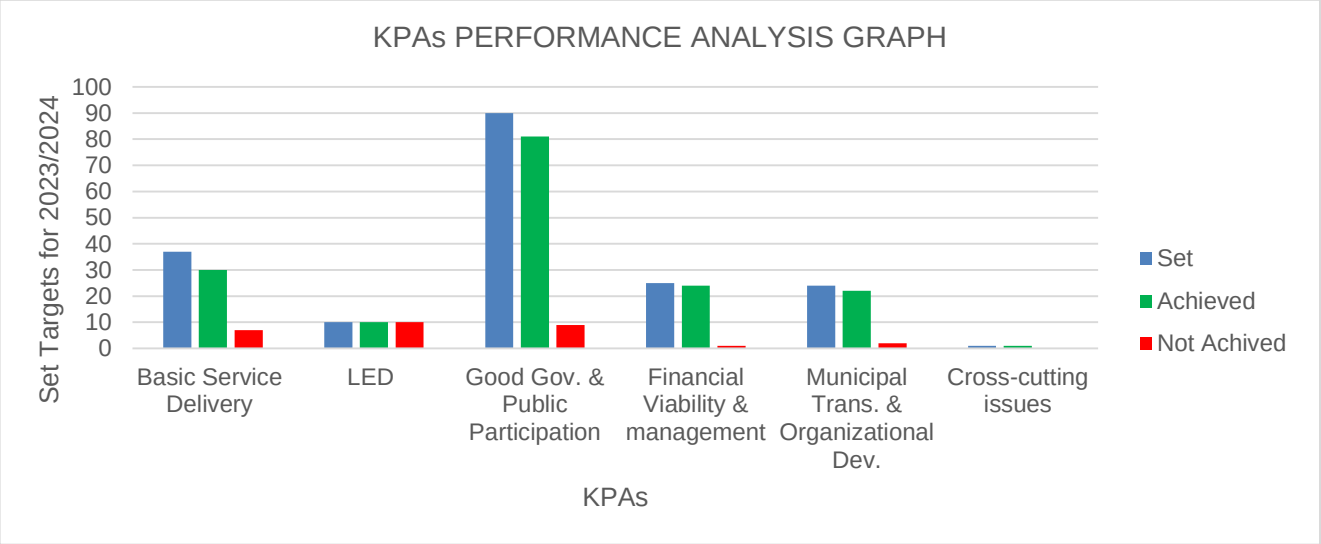
e. **Office of the Municipal Manager** had a total of 61 targets and reported against all 61 targets. Total achieved was 56 targets which translate to 92% and total not achieved was 5 targets which translates to 8%.

f. **Budget and Treasury Office** had a total of 25 targets and reported against all 25 targets. Total achieved was 24 targets which translate to 96% and total not achieved was 1 targets which translates to 4%.

Performance Assessment for Key Performance Areas (KPAs) for the period 2023/2024

DEPARTMENT	TOTAL NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED	% NOT ACHIEVED
Basic Service Delivery	**37**	30	7	83%	17%
Local Eco Development (LED)	**10**	10	0	100%	0%
Good Gov. & Public Participation	**90**	81	9	90%	10%
Financial Viability & Management	**25**	24	1	96%	0%
Municipal Trans. and organizational Dev.	**24**	22	2	92%	0%
Cross Cutting Issues	**1**	1	0	100%	0%
Total	**187**	**168**	**19**	**90%**	**10%**

KPAs Performance Assessment Graph for 2023/2024



Comparison of Annual Performance for the periods 2022/23 and 2023/2024

As guided by s46 (b) of the MSA (32 of 2000) as amended, the municipality is directed to perform comparison of performance of the current and previous financial year.

Department	2022/2023 Annual Performance			2023/2024 Annual Performance			Improved/ declined 2023/2024
	Total No. of targets	% Achieved	% Not Achieved	Total No. of targets	% Achieved	% Not Achieved	Outcome
Infrastructure Development & Municipal Services	**41**	78%	22%	**41**	83%	17%	↑
Community Development Services	**31**	84%	16%	**27**	85%	15%	↑

Planning & Economic Development	**19**	79%	21%	**11**	100%	0%	
Budget and Treasury Office	**31**	96%	4%	**25**	96%	4%	
Corporate Services	**23**	100%	0%	**22**	91%	9%	
Office of the Municipal Manager	**78**	65%	35%	**61**	92%	8%	
Overall Performance	**218**	**79%**	**21%**	**187**	**90%**	**10%**	

Description Notes:

a. **Infrastructure Development and Municipal Services** had achieved 78% in 2022/2023 while recorded 83% in the period 2023/2024 which translate to slight performance improvement with 5% as improvement margin.

b. **Community Development Services** had achieved 84% in 2022/2023 while recorded 85% in the period 2023/2024 which translate to slight performance improvement with 1% as improvement margin.

c. **Planning and Economic Development** had achieved 79% in 2022/2023 while recorded 100% in the period 2023/2024 which translate to considerable performance improvement with 21% as improvement margin.

d. **Budget and Treasury Office** had achieved 96% in 2022/2023 while recorded 96% in the period 2023/2024 which translate to conserved performance with 0% as improvement margin.

e. **Corporate Services** had achieved 100% in 2022/2023 while recorded 91% in the period 2023/2024 which translate to slight performance decline with 9% as decline margin.

f. **Office of the Municipal Manager** had achieved 65% in 2022/2023 while recorded 92% in the period 2023/2024 which translate to considerable performance improvement with 27% as improvement margin.

The overall performance of the municipality summary:

a. 2022-23 FY: **79%** of targets met, **21%** of the targets not met.

b. 2023-24 FY: **90%** of targets met, **10%** of targets not met

This shows a considerable performance improvement of the municipality compared to the previous financial year.

16. Disclosure Notes

16.1. Notes

16.1.1. The municipality's original and revised SDBIP for the period 2023/2024 is segmented in terms of Top Layer and Bottom Layer (departmental Level). Top Layer targets are categorized as either

compliance requirement, core function, assurance function, functionality of Council structures or any function that has been identified by external auditors for improvement. The Top layer SDBIP indicate how the budget and strategic objectives of the Council will be implemented. Bottom Layer (Departmental) is comprised of KPIs that can executed and reported at departmental level, operational issues. These are KPIs that do not necessarily need to be reported to Council.

16.1.2. AGSA advised that for IDMS (service delivery department) all KPIs must be reported regardless of either Top or Bottom layer. The following table addresses performance outcomes of IDMS Bottom Layer KPIs:

DEPARTMENT	TOTAL NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED	% NOT ACHIEVED
Infrastructure Development and Municipal Services (IDMS)	**4**	3	1	75%	25%
Total	**4**	**3**	**1**	**75%**	**25%**

16.1.3. Performance Assessment of Bottom Layer KPIs under IDMS for the period 2023/2024 Graph

APPENDIX K: SUMMARY OF KPAs REPORTING FOR 2023/24

DEPARTMENT	TOTAL NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED	% NOT ACHIEVED
Basic Service Delivery	**37**	30	7	83%	17%
Local Eco Development (LED)	**10**	10	0	100%	0%
Good Gov. & Public Participation	**90**	81	9	90%	10%
Financial Viability & Management	**25**	24	1	96%	0%
Municipal Trans. and organizational Dev.	**24**	22	2	92%	0%
Cross Cutting Issues	**1**	1	0	100%	0%
Total	**187**	**168**	**19**	**90%**	**10%**

1.1. Assessment of KPIs Not achieved for period 2023/24 per KPA

1.1.1. Basic Service Delivery

1.1.1.1. PMU

Key Performance Indicator	Description
KPI ID	**1193 Ntibane Water Supply**
KPI Description	1 Site Establishment completed in Tyeni - Nguse Village by 30 June 2024
Reason for Variance	Delays in submission of final designs
Remedial Actions	The municipality should expedite the appointment of PSPs
Financial Implications	Allocated budget was spent for designs.
Service delivery Implications	None
Measures introduced for Q4 (if the target was not achieved in Q3**)**	Acceleration of SCM process for the appointment of the service provider
Reason for failure of remedial actions set in Q3	None

Remedial Actions to be implemented in Q1 of 2024/25	Contractor to be appointed on Q1.
Reasons why the target was not revised during Mid-Term (if applicable**)**	It was revised to site establishment on the last quarter (Q4)

KPI ID	**1189 – Ntabankulu Ward 14 water supply**
KPI Description	Q2 Target - Construction Steel reservoir; 15,2km Pipelines 15 x community standpipes in Ntabankulu LM, Ncama Village, ward 11 by 30 June 2024
Reason for Variance	Delays in procurement of PSPs and which later affected delays on appointing Contractors
Remedial Actions	The municipality should expedite appointment of PSPs
Financial Implications	**None**
Service delivery Implications	Implementation delays for the project
Measures introduced for Q4 (if the target was not achieved in Q3**)**	In the third quarter, not assigned
Reason for failure of remedial actions set in Q3	In the third quarter, not assigned
Remedial Actions to be implemented in Q1 of 2024/25	The municipality has expedite appointment of PSPs
Reasons why the target was not revised during Mid-Term (if applicable**)**	The target was revised to Q1 of 2024_2025FY at the Mid-Term Adjustment.

1.1.1.2. WSA

Key Performance Indicator	**Description**
KPI ID	**1067**
KPI Description	Number of Indigent households verified by 30 June 2024
Reason for Variance	The service provider was not appointed because of non-responsiveness from the service providers.
Remedial Actions	We are not going to procure since there is already a system used internally.
Financial Implications	The funds were allocated within WSA projects.
Service delivery Implications	There were service delivery implications, the unit did not meet its mandate to provide the local municipalities with the Indigent verification system. Services were allocated to incorrect beneficiaries due to physical verification that was conducted.
Measures introduced for Q4 (if the target was not achieved in Q3**)**	None
Reason for failure of remedial actions set in Q3	None
Remedial Actions to be implemented in Q1 of 2024/25	The verification system is in place to verify the status of indigent beneficiaries.
Reasons why the target was not revised during Mid-Term (if applicable**)**	The target was set to 300 000 Indigent applications to be verified instead of 30 000 households to be verified, hence there was a huge variance of Indigent households to be verified.

1.1.1.3. WSP

Key Performance Indicator	Description
KPI ID	**1187**
KPI Description	Refurbishment of Mhleleni Water Treatment Plant in Ntabankulu LM, Mhleleni village, ward 2 by 30 June 2024
Reason for Variance	Municipality finalized Order for the Refurbishment Term Contract service provider allocated the work due to procurement challenges experienced. The originally planned scope of work has been revised by the current service provider after a full assessment was done and the current WTW was found to be outdated and a new one was proposed. The only work that has been completed so far is reconstruction of the access road. Currently the service provider is busy with the designs for the new WTW.
Remedial Actions	Project will continue in FY 2024/25
Financial Implications	Allocated budget not spent as a result it was reduced by Treasury
Service delivery Implications	Delayed refurbishment of the scheme
Measures introduced for Q4 (if the target was not achieved in Q3**)**	None, the target for Q3 was achieved
Reason for failure of remedial actions set in Q3	None
Remedial Actions to be implemented in Q1 of 2024/25	Finalize designs and commence refurbishments
Reasons why the target was not revised during Mid-Term (if applicable**)**	The WSP unit only got involved with the project from Q3

Key Performance Indicator	Description
KPI ID	**1312**
KPI Description	Refurbishment of Matatiele Bulk Water Supply in Ward 20 by 30 June 2024
Reason for Variance	Project was put on hold due to Technical requirements from Matatiele LM, as such this project is classified as a capital project rather than refurbishment project.
Remedial Actions	The project is then referred to Planning section as it is classified as a capital project.
Financial Implications	Allocated budget will not be spent
Service delivery Implications	Will affect water supply to Matatiele town and surrounding townships shortages will
Measures introduced for Q4 (if the target was not achieved in Q3**)**	Target may only be achieved in the new financial year.

Key Performance Indicator	Description
KPI ID	**1196**
KPI Description	Construction of 1x1ML Reservoirs(Nyaniswa), Construction of 83 km pipeline, Installation of 50 No. of standpipes , Construction of 6 km of access roads, Construction of 1x Booster Pumpstations in Matatile LM for Mount Hagreaves ,Siberia,Sijoka in ward 17 ,Zimpofu, Nomahlaku ,Zingcuka,Nomadlangeni in ward 24 ,Bhubesi,Nyanisweni,Sidakeni and KwaKheswa, in Ward 18 by 30 June 2024
Reason for Variance	The consulting engineer delayed positioning the reservoir due to technical design, and the contractor delayed starting work on the reservoir. Contruction of Reservoir is incomplete.
Remedial Actions	The project is still continuing in the financial year 2024/2025. This is a multi-year project.
Financial Implications	R32 295 092.28
Service delivery Implications	
Measures introduced for Q4 (if the target was not achieved in Q3**)**	None
Reason for failure of remedial actions set in Q3	
Remedial Actions to be implemented in Q1 of 2024/25	

Reasons why the target was not revised during Mid-Term (if applicable)	

Key Performance Indicator	Description
KPI ID	**1312**
KPI Description	Refurbishment of Matatiele Bulk Water Supply in Ward 20 by 30 June 2024
Reason for Variance	Project was put on hold due to Technical requirements from Matatiele LM, as such this project is classified as a capital project rather than refurbishment project.
Remedial Actions	The project is then referred to Planning section as it is classified as a capital project.
Financial Implications	Allocated budget will not be spent
Service delivery Implications	Will affect water supply to Matatiele town and surrounding townships shortages will
Measures introduced for Q4 (if the target was not achieved in Q3**)**	Target may only be achieved in the new financial year.

Reason for failure of remedial actions set in Q3	None
Remedial Actions to be implemented in Q1 of 2024/25	Finalize consultation meetings in order to get the authorization by the Matatiele Local Municipality. Restart the process of applying for a Water Use License
Reasons why the target was not revised during Mid-Term (if applicable**)**	It was not applicable in Mid term

1.1.2. Institutional Transformation and Organizational Development

1.1.2.1. Administration Support and Auxiliary Services

Key Performance Indicator	Description
KPI ID	**1160**
KPI Description	Number of physical access control implemented.
Reason for Variance	Delayed SCM processes
Remedial Actions	Deferred it to the next financial year
Financial Implications	**None**
Service delivery Implications	None
Measures introduced for new financial year	To put pressure to SCM office to speed up the procurement processes.
Reason for failure of remedial actions	SCM does not respond to follow-ups made by the department
Remedial Actions to be implemented in Q1 of 2024/25	Develop new terms of reference as early as possible
Reasons why the target was not revised during Mid-Term (if applicable**)**	Projections have shown that the target would be met.

Key Performance Indicator	Description
KPI ID	**1161**
KPI Description	Number of CCTV Cameras installed at ANDM's Head Office in Mt Ayliff are operational at all time.
Reason for Variance	Delayed SCM processes
Remedial Actions	Deferred it to the next financial year
Financial Implications	**None**
Service delivery Implications	None
Measures introduced for new financial year	To put pressure to SCM office to speed up the procurement processes.
Reason for failure of remedial actions	SCM does not respond to follow-ups made by the department
Remedial Actions to be implemented in Q1 of 2024/25	Develop new terms of reference as early as possible
Reasons why the target was not revised during Mid-Term (if applicable**)**	Projections have shown that the target would be met.

1.1.3. Financial Viability and Management

1.1.3.1. Assets Management Unit

Key Performance Indicator	Description
KPI ID	Construction of stores
KPI Description	Stores site establishment and steel structure constructed by 30 June 2024
Reason for Variance	The contract is on intention to award.
Remedial Actions	The appointment date is expected to be 22 July 2024
Financial Implications	The steel has been budgeted for in the 2024/2025 financial year
Service delivery Implications	None
Measures introduced for Q4 (if the target was not achieved in Q3**)**	Not applicable
Reason for failure of remedial actions set in Q3	Not applicable
Remedial Actions to be implemented in Q1 of 2024/25	Contract already on intention to award. It's expected that the contractor will be appointed around the 22nd of July and construction will resume from then,
Reasons why the target was not revised during Mid-Term (if applicable**)**	Not applicable

1.1.4. Good Governance and Public Participation

1.1.4.1. Speaker's Office

Key Performance Indicator	Description
KPI ID	**1106**
KPI Description	Number of Women's Caucus Meetings
Reason for Variance	Support staff shortage to assist the committee
Remedial Actions	Improving staff complement in the office
Financial Implications	**Budgeted post to be filled**
Service delivery Implications	SDBIP targets not met
Measures introduced for new financial year	None
Reason for failure of remedial actions	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Activation of the Committee, Drafting of the Action Plan
Reasons why the target was not revised during Mid-Term (if applicable**)**	

1.1.4.2. Communications Unit

Key Performance Indicator	Description
KPI ID	**1050**
KPI Description	Newsletter and Leaflet
Reason for Variance	The appointed Service Provider declined the order issued by SCM on the 28 May 2024. A new requisition was made to BTO and it was misplaced. On the 01 July 2024 BTO found the misplaced paper work. Communications Unit is now waiting for the new order.
Remedial Actions	Communications Unit will procure the printing of newsletter in the first quarter of the new financial year 2024/2025
Financial Implications	**Non- expenditure of set budget**
Service delivery Implications	Poor communication of Government Programs
Measures introduced for Q4 (if the target was not achieved in Q3**)**	Quarter 4 target moved into Quarter one of the new financial year
Reason for failure of remedial actions set in Q3	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Procurement of a new service provider for the newsletter printing
Reasons why the target was not revised during Mid-Term (if applicable**)**	N/A

Key Performance Indicator	Description
KPI ID	**1046**
KPI Description	Translation
Reason for Variance	The appointed Service Provider declined the order issued by SCM on the 28 May 2024. A new requisition was made to BTO and it was misplaced. On the 01 July 2024 BTO found the misplaced paper work. Communications Unit is now waiting for the new order.
Remedial Actions	Communications Unit will procure the translated newsletter in the first quarter of the new financial year 2024/2025
Financial Implications	**Non-expenditure of the set budget**
Service delivery Implications	Poor communication of Government Programs
Measures introduced for Q4 (if the target was not achieved in Q3**)**	Quarter 4 target moved into Quarter one of the new financial year
Reason for failure of remedial actions set in Q3	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Procurement of a new service provider for the newsletter translation
Reasons why the target was not revised during Mid-Term (if applicable**)**	N/A

13.2.3. Special Programs Unit

Key Performance Indicator	Description
KPI ID	**1095**
KPI Description	**Winter Warmth**
Reason for Variance	SCM delayed the procurement process sighting backlog challenges
Remedial Actions	Program will be performed in the next financial year
Financial Implications	**Non expenditure of set budget**
Service delivery Implications	Poor coordination of elderly program
Measures introduced for Q4 (if the target was not achieved in Q3**)**	N/A
Reason for failure of remedial actions set in Q3	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Approach SCM to resolve any issues that have led to stagnation on SCM processes.
Reasons why the target was not revised during Mid-Term (if applicable**)**	N/A

Key Performance Indicator	Description
KPI ID	**1089**
KPI Description	**Youth Coops and 4IR**
Reason for Variance	SCM delayed the procurement process sighting backlog challenges
Remedial Actions	Project moved to 2024/25 Financial Year
Financial Implications	**Non- expenditure of set budget**
Service delivery Implications	Poor coordination of youth programs
Measures introduced for Q4 (if the target was not achieved in Q3**)**	Quarter 4 target moved into Quarter one of the new financial year
Reason for failure of remedial actions set in Q3	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Approach SCM to resolve any issues that have led to stagnation on SCM processes.
Reasons why the target was not revised during Mid-Term (if applicable**)**	N/A

13.2.4. Disaster Risk Management

Key Performance Indicator	Description
KPI ID	**1243**
KPI Description	Develop one District Disaster Management Scientific Risk Assessment
Reason for Variance	Delays in SCM procurement process resulted in delays in conclusion of the project. Project did not go to council in time for the financial year.
Remedial Actions	The item has been deferred to the next ordinary council for adoption for the 2024-25 FY
Financial Implications	**None**
Service delivery Implications	None
Measures introduced (if the target was not achieved in Q3**)**	It was a quarter 4 target
Reason for failure of remedial actions set in Q3	None
Remedial Actions to be implemented in Q1 of 2024/25	
Reasons why the target was not revised during Mid-Term (if applicable**)**	The project was in Supply Chain processes which delayed till quarter 4.

13.2.5. Fire and Rescue Services

Key Performance Indicator	Description
KPI ID	**1230**
KPI Description	Scientific Fire Risk Assessment Conducted and District Fire & Rescue Services Master Plan Developed
Reason for Variance	Procurement for conduction of Scientific Risk Assessment not completed. Procurement was delayed by none availability of adequate fund to conduct the study.
Remedial Actions	Adequate funding must be availed to achieve this project
Financial Implications	Adequate funding must be availed to achieve this project
Service delivery Implications	The end result of Scientific Risk Assessment project is development of Fire and Rescue Services Master Plan which ensures provisioning of adequate resources for every identified risk.
Measures introduced for Q4 (if the target was not achieved in Q3)	N/A
Reason for failure of remedial actions set in Q3	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Terms of reference for the project developed and submitted to BTO to initiate procurement processes.
Reasons why the target was not revised during Mid-Term (if applicable)	The target was revised during Mid-term but procurement process was not finalized.

13.2.6. Disaster Management Unit

Key Performance Indicator	Description
KPI ID	**1242**
KPI Description	
Reason for Variance	Insufficient budget
Remedial Actions	Reduced number the number of drones to be procured from 05 to 02, thus making it easy to procure as per SCM tender requirements.
Financial Implications	Adequate funding must be availed to achieve this project
Service delivery Implications	The end result of Scientific Risk Assessment project is development of Fire and Rescue Services Master Plan which ensures provisioning of adequate resources for every identified risk.
Measures introduced for Q4 (if the target was not achieved in Q3)	N/A
Reason for failure of remedial actions set in Q3	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Terms of reference for the project developed and submitted to BTO to initiate procurement processes.
Reasons why the target was not revised during Mid-Term (if applicable)	The target was revised during Mid-term but procurement process was not finalized.

13.2.7. Municipal Health Services

Key Performance Indicator	Description
KPI ID	**1246**
KPI Description	No of AQM & Dust Monitoring Devices procured
Reason for Variance	There has been no station procured, as it was still at BEC Stage Q3 : Upon enquiry, it was indicated that the project has just been released from BEC and is awaiting BAC Q4 : Readvertised
Remedial Actions	Recommending moving the project to 24/25
Financial Implications	0
Service delivery Implications	None
Measures introduced for Q4 (if the target was not achieved in Q3)	N/A
Reason for failure of remedial actions set in Q3	N/A
Remedial Actions to be implemented in Q1 of 2024/25	Terms of reference for the project developed and submitted to BTO to initiate procurement processes.
Reasons why the target was not revised during Mid-Term (if applicable)	N/A

2. Performance Analysis of External Service Providers for the period 2023/24

This section serves to evaluate the Service Provider's performance in respect of provisions of the contract and the product that the Service Provider delivered for all aspects of the project scope. The Evaluation criteria are based on a scale of 1-5 and each of aspects measured relate to the successful completion of the project. The evaluation score guide on the performance of the service providers is assessed in term of the table (table 16.1.) below and the full report is attached as **ANNEXURE "A".**

Table 16.1. Assessment tool

5	**Excellent**	Completion of the project before the scheduled time and within budget
4	**Good**	Completion of project within time frame and budget
3	**Average**	Completion of project within time frame but outside the allocated budget or vice versa
2	**Below Average**	Failure to complete the project
1	**Unacceptable**	Failure to commence with the project

3. Assurance Establishments

3.1. Auditor General of South Africa

This section is guided by the AGSA's opinion on review of performance information for the period 2023/2024. AGSA raised no findings on the APR for the period 2023/24 except adjustment to add bottom layer KPIs. Consequently, no issues that were expected to be corrected in part of improvement plan.

4. Internal Audit

4.1. Implementation of Risk Based Internal Audit Coverage Plan 2023/2024

The Internal Audit Unit has prepared and implemented the Risk Based Internal Audit Coverage Plan 2023/2024. The internal audit plan described below has been prepared to direct Alfred Nzo District Municipality's internal audit unit's efforts, based on available and envisaged resources, in terms of a risk-based methodology.

The plan is broken down into two sections, namely:

a. Operational plan for the first year (financial year ending 30 June 2024).

b. Strategic plans for the subsequent two years (financial years ending 30 June 2025 and 2026).

The preparation of an operational plan is required in terms of the provisions of the MFMA, and is also regarded as current internal audit "Best Practice". The update of the risk profile of the municipality would be conducted where management participates. The risk assessment constitutes an integral phase in the preparation of the audit plan, as the results thereof form its basis. The following is a diagrammatical overview of the process by which the proposed internal audit plans were formulated:

Status Description	
	Achieved
	Not Achieved
	In progress

9.1.1. Risk Based Operation Plan – Implementation As 30 June 2024

Table 1: Colour Code

Colour Code			
What it means	IA Review completed	IA Review in progress	IA Review not yet started (overdue)

The following summarises the implemented internal audit assignment as at 30 June 2024, the non-achieved targets were attributed to the ad hoc assignments: Internal audit: Panel of Consultants and Attorneys, SCM and MPAC.

Table 2: Status report

Annual Audit Plan Outline – 30 JUNE 2024				
AUDIT AREA:OMM	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Deliverable ▪ Develop Strategic Internal Audit Plan and Operational Plan 2023-24 (ANDM) ▪ Review Internal Audit Charter ▪ Facilitate Review of Audit and Performance Committee Charter ▪ Facilitate the review of Audit and Performance Committee work Plan	N/A	N/A	Jul– 2023	
AUDIT AREA: ANDM BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
AFS and APR review 2023-24 ▪ Establish whether all disclosures are made in the financial statements. This includes checking whether the statements reconcile with the trial balance as well as with supporting work papers. ▪ Test Compliance with GRAP standards	N/A	A&C	Aug 2023	
AUDIT AREA: ANDM -ALL DEPARTMENTS	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Year end: Stock Procedures 2023-24 • Test extent of compliance to the year-end stock count procedures • The Testing will also cover compliance with applicable policies	N/A	C	Jul 2023	
AUDIT AREA: ALL DEPARTMENT	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Quarterly Performance Report Reviews (Q4 2023-24) • Test whether Quarterly Performance Management Reports are aligned with targets set in service delivery and budget implementation plans (SDBIP) and performance agreements of senior managers. • Determine the extent of compliance with performance management regulations and Municipal System Act. • Verify the achieved targets • Determine the extent of alignment of POE with achieved targets and performance indicators.	**N/A**	A & C	Jul 2023	
AUDIT AREA-BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Internal Audit of Risk Management Processes • Test adequacy of Risk Management Framework guiding, the Identification, Evaluation, Monitoring and Reporting of Risk Management activities across the ANDM.	H	A& C	Oct 2023	

• Evaluation the extent of participation of the key Actors in the risk management processes, e.g. Councillors, Senior Management. • Test the extent of embedment of risk management processes into the day to day operational of ANDM • Test compliance with appropriate legislations and global standards relating to Risk Management, such as MFMA, ISO 31000				
AUDIT AREA-BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Individual Performance Management System (Q4 2023-24) • Test whether Quarterly Performance Management Reports are aligned with targets set in service individual Score-Card, performance agreements of senior managers, Level 2 and Level 3 managers • Determine the extent of compliance with performance management regulations and Municipal System Act. • Verify the achieved targets • Determine the extent of alignment of POE with achieved targets and performance indicators.	**H**	A & C	Quarterly	
AUDIT AREA-BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Internal Audit of Water Services Provision: • Test adequate of controls relating to provision of safe drinking and usable water. • Test extent of compliance with applicable laws and regulations • Test compliance with policies and procedures relating to Water Services Provision.	**H**	A&C	Oct 2023	

2nd Quarter

AUDIT AREA: ALL DEPARTMENT	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Quarterly Performance Report Reviews (Q1 2023-24) • Test whether Quarterly Performance Management Reports are aligned with targets set in service delivery and budget implementation plans (SDBIP) and performance agreements of senior managers. • Determine the extent of compliance with performance management regulations and Municipal System Act. • Verify the achieved targets • Determine the extent of alignment of POE with achieved targets and performance indicators.		A & C	Oct 2023	
AUDIT AREA: BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Internal Audit of Inventory Management: • Test whether Policy are in place and operating as intended. • Test extent of compliance with applicable laws and regulations	**H**	A&C	Nov 2023	

• Test compliance with policies GRAP standard				
AUDIT AREA: BTO/IDMS	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Internal Audit of DORA (Compliance): • Test whether Policy are in place and operating as intended. • Conditional Grants are spent as per grants conditions • Test extent of compliance with applicable laws and regulations	**H**	A&C	Dec 2023	
AUDIT AREA: OMM	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Internal Audit of MSCOA processes: • Test the extent of implementation of MSCOA • Test compliance applicable MSCOA circulars • Test the functionality of Governance Processes in respect of MSCOA • Test implementation status of MSCOA risk registers	**H**	A&C	Dec 2023	
AUDIT AREA: IDMS / BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Internal Audit of Asset Management (maintenance): • Test asset maintenance process to determine extent of compliance with Asset Management policy • Test the reasonableness of budget allocations against to the maintenance of asset requirements • Test the asset maintenance intervals, against to the practices		A & C	Dec 2023	
AUDIT AREA: IDMS / BTO/ MM	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Internal Audit of Contract Management Processes: • Test controls relating to contract and contract management process • Test compliance with Service Level Agreements • Test compliance with reporting requirements • Confirm the existence and maintenance of Commitment Register		A&C	Dec 2023	

3rd Quarter

AUDIT AREA - BTO	Risk Rating	Type of Audit	Report Date	Code
Supply Chain Management and Expenditure (Expenditure Management Cycle: • Test whether provisions of the supply chain management policy are complied with. This will cover testing whether calling of quotations and tendering is appropriately done. • Test whether reporting requirements in terms of the SCM policy are met. • Test compliance with SCM regulations with regard to the supplier database. This will cover testing of compliance with NT circulars. • Review of payment processes • Review of Organisational structure within SCM and Expenditure unit in order to ensure segregation of duties • Review quotation request processes in order to verify whether controls for mitigating cover quoting are adhered to by management. • Review of adequacy and implementation processes in place to identify inaccurate declarations by suppliers • Review of adequacy and implementation of processes in place to control and detect contract rigging.	H	A & C	Quarterly	
AUDIT AREA: CPS	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Audit of ICT processes- General Controls: • Test the adequacy of controls relating to ICT environment, general controls • Test effectiveness and efficiency of BCPs	H	A & C	Mar 2024	
AUDIT AREA: All departments	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Follow Up Reviews on implementation of management action plan: • Follow of significant issues raised in previous audits by AG & IA to determine whether appropriate action is taken by management so that such issues do not recur in future. The follow up review, includes testing implementation of remedial action with regard DASBOARD reports.		A & C	Quarterly	
AUDIT AREA: BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**

Internal Audit of VAT Recovery process: • Test extent of compliance with Income Tax Act, VAT Act • Test timeliness of submission of Tax Returns • Test compliance with SLA, if recovery exercise is outsourced • Determine the extent of reliance to external service provider, comment on outsourcing arrangements vs internal capacity		**A&C**	**Mar 24**	
AUDIT AREA: ALL DEPARTMENT	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Quarterly Performance Report Reviews (Q2 2023-24) • Test whether Quarterly Performance Management Reports are aligned with targets set in service delivery and budget implementation plans (SDBIP) and performance agreements of senior managers. • Determine the extent of compliance with performance management regulations and Municipal System Act. • Verify the achieved targets • Determine the extent of alignment of POE with achieved targets and performance indicators.		**A & C**	**March 24**	

4th Quarter

AUDIT AREA: BTO	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
IDP and Budget • Test the extent of alignment IDP and Budget of the Municipality • Test extent of compliance with applicable laws, regulations and Circulars		A&C	June 2024	
AUDIT AREA: All departments	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Follow Up Reviews on implementation of management action plan: • Follow of significant issues raised in previous audits by AG & IA to determine whether appropriate action is taken by management so that such issues do not recur in future. The follow up review, includes testing implementation of remedial action with regard DASBOARD reports.		A & C	Quarterly	
AUDIT AREA: ALL DEPARTMENT	**Risk Rating**	**Type of Audit**	**Report Date**	**Code**
Quarterly Performance Report Reviews (Q3 2023-24) • Test whether Quarterly Performance Management Reports are aligned with targets set in service delivery and budget implementation plans (SDBIP) and performance agreements of senior managers.	**H**	A & C	Jun 24	

• Determine the extent of compliance with performance management regulations and Municipal System Act. • Verify the achieved targets • Determine the extent of alignment of POE with achieved targets and performance indicators.				

Resource Allocation

AUDIT AREA-BTO	Risk Rating	Type of Audit	Report Date	Resource Allocation	Planned Hours
Year end: Stock Procedures 2023-24 • Test extent of compliance to the year-end stock count procedures • The Testing will also cover compliance with applicable policies		C	June 24	CAE AM:IA IAX4	19 32 40

KPA REPORT

BASIC SERVICE DELIVERY

APPENDIX A

DETAILED PERFORMANCE REPORT FOR THE 2023/24 FINANCIAL YEAR

INFRASTRUCTURE DEVELOPMENT AND MUNICIPAL SERVICES

Unit: Water Conservation & Development Management (WCDM)

Unit: Water Conservation & Development Management (WCDM)

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	*	WCDM Infrastructure leak detection & Repairs	100% of all reported water leaks surveyed and possible repairs done within 3 - 7 days (No.of leakage repairs done/ No. of reported Leakages)for the whole ANDM by the 28th June 2024	4	R0.00	100	100% District Wide reported infrastructure leaks surveyed and repaired done within 3 - 7 days (No.of leakage repairs done/ No. of reported Leakages) for the whole ANDM at all times by 30 June 2024	100% of 82 leakages were reported and repaired during the 2023/2024 financial year. The following activities were undertaken: Q1 : 100 of all 19 reported Infrastructure leaks has been successfully repaired	**Achieved**	None	None	Quarterly Reports

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									at all times within 3 to 7 days by the 29th of September 2023 (19 Repaired Leaks / 19 Reported leaks)=100% Q2 : 17 Leakages repairs done / 17 No. of reported or leakages = 100% Repairs done successfully. Q3 : 100% (26 Reported / 26 repaired) infrastructure leakages has been successfu				

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									lly surveyed and repaired within 3 to 7 days at all times Q4 : 100% (20 No of reported leakages / No of leakage repairs done) were conducted successfully at all times by the 30th of June 2024				
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the	Basic Service Delivery	*	Maintenance of District Wide Telemetry systems	100 % District Wide Maintenance of reported Malfunctions on telemetry systems as well as Maintena	4	R3,500,000.00	100	100 % District Wide Maintenance of reported Malfunctions on telemetry systems as well as Maintena	100% (160 Assessed Malfunction / 160 Maintained Malfunctions) Successfully achieved	**Achieved**	None	None	Quarterly Report

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
community by 2027				nce based on Routine daily Monitoring.(Assessed Malfunction / Maintained Malfunctions) by the 28th Of June 2024				nce based on Routine daily Monitoring.(Assessed Malfunction / Maintained Malfunctions) by the 30 June 2024	for the 2023/2024 financial year in the Alfred Nzo District Jurisdiction				
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	*	Installation of of Bulk, Commercial and Domestic Water Meters	Supply , Deliver &Install x 500 Domestic Prepaid Water Meters @ Winnie Madikizela LM Supply ,Deliver &Install x 500 Commercial Meters @Matatiele LM Supply & Deliver x 50 Prepaid Water	4	R10,000,000.00	3	Supply , Deliver &Install x 500 Domestic Prepaid Water Meters @ Winnie Madikizela LM Supply ,Deliver &Install x 500 Commercial Meters @Matatiele LM Supply & Deliver x 50 Prepaid Water	A Total of 500 meters were installed in Mount Ayliff Peri-Urban, the location was changed from Winnie Madikizela Mandela to Mount Ayliff due to unsuccessful consultati	**Achieved**	More meters were installed than anticipated , over achievement Due to additional funding from Budget treasure office on the Meter Replacement Amounting to R4 701 378.00 was	none	Quarterly reports

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
				Meters at ANDM Stores for District Wide Replacements by the 28th June 2024				Meters at ANDM Stores for District Wide Replacements by the 28th June 2024	ons with customers. 1017 Prepaid water meters were Installed in Matatiele Local Municipality for the 2023-2024 financial year and 50 were delivered to the local stores in mount Ayliff therefore A total of 1567 meters were purchased		used.		
To build, maintain	Basic Service	*	WCDM Infrastruct	1x Number	2	R3,500,000.00	1	1x Number	1x number	**Achieved**	none	none	Final Mapping

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Delivery		ure Survey and Mapping	Of Infrastructure Survey & Mapping Progress Report Developed in kwaBhaca Peri Urban & Emaxesibeni Peri Urban by the 28th June 2024				Of Infrastructure Survey & Mapping Report Developed in KwaBhaca Peri Urban & Emaxesibeni Peri Urban by 30 June 2024	of infrastructure survey and mapping report developed in KwaBhaca and eMaxesibeni for the 2023-2024 financial year.				Report for KwaBhaca Peri Urban and Emaxesibeni.
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	*	WCDM Strategic Planning Report	1x Number of WCDM Strategic Planning Final report Developed in Mbizana, Mount Ayliff & Ntabankulu Areas (Consolidated) by the 28th June 2024	2	R2,000,000.00	1	1x Number of WCDM Strategic Planning Final Report Developed in Mbizana, Mount Ayliff & Ntabankulu Areas (Consolidated) by 30 June 2024	1x Number of WCDM Strategic Planning Final Report Developed in Mbizana, Mount Ayliff & Ntabankulu Areas (Consolidated) for the 2023-2024 financial year. The following activities	**Achieved**	None	None	Final Report

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									were undertaken: Q1 : Situation Assessment of Water Consumption and Conservation measures in Mt Ayliff ,Mbizana & Ntabankulu by September 2023 Q2 : Outlining Water Consumption and Conservation Initiatives in Mbizana, Ntabankulu, Matatiele & Mt Ayliff & Develop Final Consolida				

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									ted Report by 29 December 2023 has been done successfully				
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	*	WCDM Water losses Mitigation Programme in Umzimvubu LM	Installation of required water pipeline accessories as per Assessment Report Namely: x3 Pressure Reducing valves,X20 No of Isolation valves, X20 No of Air valves ,50X No of Bulk Zonal Water meters,x20 Strainers & 2x Water Leak Detectors	0	R20,000,000.00	6	Installation of required water pipeline accessories as per Assessment Report Namely: x3 Pressure Reducing valves,X20 No of Isolation valves, X20 No of Air valves ,50X No of Bulk Zonal Water meters,x20 Strainers & 2x Water Leak Detectors	For the 2023-2024 financial year., the following activities were undertaken: X3 Pressure Reducing valves Installed successfully X20 No of Isolation valves Installed successfully , X20 No of Air valves Installed successfully , 50X No of	**Achieved**	None	None	Quarterly Report

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
				in Umzimvubu LM (Assessed Water Pipeline Accessories / Installed Accessories) by 28th June 2023				in Umzimvubu LM (Assessed Water Pipeline Accessories / Installed Accessories) by 30 June 2024	Bulk Zonal Water meters Installed successfully ,x20 Strainers installed successfully 2x Water Leak Detectors Purchased and delivered in Umzimvubu LM by 30 June 2024				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	6.3.1.3.19/ 1188	Nyokweni-Bomvini Bulk Water Supply	Construction of 2 No. of Pump stations, 2 x reservoirs, sedimentation control, Refurbishment at the Weir, 12.6km pipeline, 14 x Valve Chambers,	48kms of pipeline kms, 33 x valves and chambers constructed, 5 x Break pressure tanks, 34 x standpipes installed, 1 x reservoirs and	R93,000,000.00	7	Construction of 2 No. of Pump stations, 2 x reservoirs, sedimentation control, Refurbishment at the Weir, 12.6km pipeline, 14 x Valve Chambers,	Constructed 2 Pump stations, 2 x reservoirs, sedimentation control, Refurbished the Weir, 12.6km pipeline, 14 x Valve Chambers, Refurbi	**Achieved**	None	None	Signed Progress report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification

				Refurbishment at Lift Station 1,2&3 In Ntabankulu LM for Sikhululweni, Huhu, Ngcumani, Saleni, Lalashe, Mzwakazi, Sithebe, Mangweni, Mngeni and Nyani by 30 June 2024	1X. Pump house constructed IN Ntabankulu LM for Sikhululweni, Huhu, Ngcumani, Saleni, Lalashe, Mzwakazi, Sithebe, Mangweni, Mngeni and Nyani by 30 June 2023			Refurbishment at Lift Station 1,2&3 In Ntabankulu LM for Sikhululweni, Huhu, Ngcumani, Saleni, Lalashe, Mzwakazi, Sithebe, Mangweni, Mngeni and Nyani by 30 June 2024	shed the Lift Station 1,2&3 In Ntabankulu LM for Sikhululweni, Huhu, Ngcumani, Saleni, Lalashe, Mzwakazi, Sithebe, Mangweni, Mngeni and Nyani for the 2023/2024 Financial Year				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification

To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	6.3.1.3.8/ 1191	Mount Ayliff Peri-Urban	Completion of Water Treatment Works in Mt. Ayliff town	Raw water abstraction, and Raw water high lift installed and Road Crossing constructed	R12,000,000.00	1	Installation and Upgrade of Electrical components in Mt. Ayliff town by 30 June 2024	Installation and Upgrade of electrical components have been installed and upgraded in Mt Ayliff for the 2023/2024 Financial Year	**Achieved**	None	None	Signed Progress Reports
To build, maintain and provide access to improved, sustain	Basic Service Delivery	6.3.1.3.13/ 1192	KwaBhaca Regional Water - MIG PR	Completion of Water Treatment Works in Ntenetyana Village	-	R5,440,000.00	1	Commissioning of One (1) Water Treatment Works in Ntenety	Water Treatment Works has been Commissioned for the 2023/2	**Achieved**	None	None	Progress Report

Objectives	**National KPA**	**IDP Reference Number/KPI ID**	**Project / Programme Name**	**KPI**	**Baseline**	**Project / Programme Budget**	**Annual Target**	**Annual Target Description**	**Actual Performance Description**	**Achievement**	**Variance Reason**	**Corrective Measures**	**Means of verification**

able and modernized infrastructure to the community by 2027								ana Village by 30 June 2024	024 Financial Year				
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	6.3.1.3.18/ 1193	Ntibane Water Project Prov Cap	1 Site Establishment completed in Tyeni - Nguse Village by 30 June 2024	20 km Pipeline,60 Valve Chambers, 37 Stand Taps , SBS Tank and a Pump house	R500,000.00	1	1 Site Establishment completed in Tyeni - Nguse Village by 30 June 2024	Project is at tender stage	**Not Achieved**	Delays in submission of final designs	The appointed contractor will be requested to bring more resources to catch up with the duration of the project	Progress Report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	6.3.1.3.15/ 1194	Cabazana Water - MIG Prov Cap	900m pipeline; installation of gabions and repairing of 3 reservoirs in Ward 1, 2 & 26 by 30 June 2024	49km reticulation main, construction 9 valve chambers, and erection of 150 standpipes	R5,598,700.25	3	Refurbishment of 900m pipeline; installation of gabions and repairing of 3 reservoirs in Ward 1, 2 & 26 by 30 June 2024	900m pipeline refurbished, gabions installed, and 3 reservoirs have been repaired for the 2023/2024 Financial Year	**Achieved**	None	None	Progress Report

Basic Services Delivery and Community Empowerment	Basic Service Delivery	6.3.1.3.10/ 1196	Fobane Water Supply	Construction of 1x1ML Reservoirs(Nyaniswa), Construction of 83 km pipeline	Construction of 2x500 kl Reservoirs(Mt Hargre aves & Sijoka), Construction of 83 km	R73,161,595.00	5	Construction of 1x1ML Reservoirs(Nyaniswa), Construction of 83 km pipeline	Constructed of 1x1ML Reservoirs(Nyaniswa), Constructed of 83 km pipeline	**Not Achieved**	The consulting engineer delayed positioning the reservoir due to technical design, and the contractor delayed starting work on the reservoir. Contruction of Reservoir is incomplete.	The project is still continuing in the financial year 2024/2025. This is a multi-year project.	Signed Progress Report

				, Installation of 50 No. of standpipes , Construction of 6 km of access roads, Construction of 1x Booster Pump stations in Matatiele LM for Mount Hargreaves ,Siberia ,Sijoka in ward 17 ,Zimpofu, Nomahl	pipeline , Installation of 50 No. of standpipes , Construction of 6 km of access roads, Construction of 2x Booster Pump stations in Matatiele LM for Mount Hargreaves ,Siberia ,Sijoka in ward 17 ,Zimpofu,			, Installation of 50 No. of standpipes , Construction of 6 km of access roads, Construction of 1x Booster Pump stations in Matatiele LM for Mount Hargreaves ,Siberia ,Sijoka in ward 17 ,Zimpofu, Nomahl	, Installed of 50 No. of standpipes , Constructed of 6 km of access roads, Constructed of 1x Booster Pump stations in Matatiele LM for Mount Hargreaves ,Siberia ,Sijoka in ward 17 ,Zimpofu, Nomahlaku				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification

				aku ,Zingcuka,Nomadlangeni in ward 24 ,Bhubesi,Nyanisweni, Sidakeni and KwaKheswa, in Ward 18 by 30 June 2024	Nomahlaku ,Zingcuka,Nomadlangeni in ward 24 ,Bhubesi,Nyanisweni, Sidakeni and KwaKheswa, in Ward 18 by 30 June 2023			aku ,Zingcuka,Nomadlangeni in ward 24 ,Bhubesi,Nyanisweni, Sidakeni and KwaKheswa, in Ward 18 by 30 June 2024	,Zingcuka,Nomadlangeni in ward 24 ,Bhubesi,Nyanisweni, Sidakeni and KwaKheswa, in Ward 18 during the 2023/2024 Financial Year				
Basic Services Delivery and Community Empowerment	Basic Service Delivery	6.3.1.3.6/ 1197	Matatiele Ward 18 & 22 Water Supply Scheme 4 & 6	Construction of 8.21km Rising Main Pipeline and all associated	Construction of a 1 x675kl and 1x 400KL capacity SBS reservoirs,	R17,533,254.00	3	Construction of 8.21km Rising Main Pipeline and all associated	Constructed 8.21km Rising Main Pipeline and all associated	**Achieved**	None	None	Signed Progress report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				valves and chambers, Equipping of 3No. Boreholes including borehole pumps, treatment and Booster pump station, in WARD 18 (Nyaniso, Magxeni, KwaQili, Matati Villages & kwaKh	construction of 90,8km reticulation and equipping and 3 x boreholes in Matatiele LM for Lukholweni, Fiva, and Mkhenamne in ward 18 by 30th June 2023			valves and chambers, Equipping of 3No. Boreholes including borehole pumps, treatment and Booster pump station, in WARD 18 (Nyaniso, Magxeni, KwaQili, Matati Villages & kwaKh	valves and chambers, equipped of 3No. Boreholes including borehole pumps, treatment and Booster pump station, in WARD 18 (Nyaniso, Magxeni, KwaQili, Matati Villages & kwaKh				

				esa)				esa)	esa)				
Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				and Ward 22 (Fiva) by 30 June 2024				and Ward 22 (Fiva) by 30 June 2024	and Ward 22 (Fiva) for the 2023/ 2024 Financial Year				
To build, maintain and provide access to improved, sustainable	Basic Service Delivery	6.3.1.3.12/ 1198	Greater Mbizana Phase 1A (50500/ 3551)	20km pipeline and 1 Reservoir constructed for Mhlanga, Nikwe and	Construction of Greater Mbizana Water supply Phase 1A Reticulation 85%	R20,000,000.00	2	20km pipeline and 1 Reservoir constructed for Mhlanga, Nikwe and	20km pipeline and 1 Reservoir constructed for Mhlanga, Nikwe and	**Achieved**	None	None	Signed Progress Report

and modernized infrastructure to the community by 2027				Simakadeni in ward 6, 32 and 31 by 30 June 2024	completed			Simakadeni in ward 6, 32 and 31 by 30 June 2024	Simakadeni in ward 6, 32 and 31 constructed by 30 June 2024				
Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1199	Mbizana Ward 10, 12, 13 & 15 Water Supply Scheme	Construction of 80km pipeline and 2 reservoirs in WMM LM for Sizintyaneni, Smakadeni, Mampingeni and Swane by 30 June 2024	Construction of 50km pipeline in WMM LM for Sizintyaneni, Smakadeni, Mampingeni and Swane by 30 June 2023	##########	2	Construction of 80km pipeline and 2 reservoirs in WMM LM for Sizintyaneni, Smakadeni, Mampingeni and Swane by 30 June 2024	Constructed 80km pipeline and 2 reservoirs in WMM LM for Sizintyaneni, Smakadeni, Mampingeni and Swane for the 2023/2024 Financi	**Achieved**	none	none	Signed Progress Report

									al Year				
To build, maintain and provide access to improved,	Basic Service Delivery	6.3.1.3.5/ 1200	Mbizana:WSIG Prov Cap Exp	Construction of VIP toilets in Ward 9 villages by 30	Construction of 2 interim water supply schemes in WMM	R12,000,000.00	289	Construction of 289 VIP toilets in Winnie Madikizela-	Constructed VIP toilets in Ward 9 villages by 30 June	**Achieved**	none	None	Signed Progress Report
Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
sustainable and modernized infrastructure to the community by 2027				June 2024	LM (1 x Borehole Pump station, 15,76 km reticulation pipeline for Dudum			Mandela LM (Ward 9 Envis village) by 30 June 2024	2024, Constructed 289 VIP toilets in Winnie Madikizela-Mandela LM				

					eni and in ward 8 and 1 x borehole, 1 x pump station and 1,5kms rising Magqa basin in ward 8) by 30 June 2023				(Ward 9 Envis village) for the 2023/2024 Financial Year				
Ensure mainstreaming	Good Governance	6.3.1.3.35/ 1202	Strengening of District	Number of ISD function	16	R0.00	16	16 ISD functional	16 ISD functional	**Achieved**	None	None	4 Minutes and 4
Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification

of social facilitation throughout the life cycle of all projects to enhance community empowerment	And Public Participation		ISD Services	al Meetings held				Meetings (ISD Meetings) held by 30 June 2024	Meeting held				Attendance Registers
Coordinate Water usage, vandalism, health and hygiene workshops	Good Governance And Public Participation	6.3.1.3.37/ 1203	ISD Public Education and Community Awareness Programme	Number of Water usage, vandalism, health and hygiene workshops held	8 workshops	R0.00	8	8 Water usage, vandalism, health and hygiene workshops held by 30 June 2024	8 Water usage, vandalism, health and hygiene workshops held	**Achieved**	None	None	Reports and Registers
Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification

Promote public participation and meaningful good governance	Good Governance And Public Participation	6.3.1.3.36/ 1204	ISD Coordination	Number of monthly non-financial reports for MIG submitted to COGTA	12	R0.00	12	12 x monthly non-financial reports for MIG submitted to COGTA by 30 June 2023	12 x monthly non-financial reports for MIG submitted to COGTA	**Achieved**	None	None	12 x Non-Financial MIG Reports
Accredited/Non Accredited Trainings	Good Governance And Public Participation	6.3.1.3.39/ 1205	PSC/Laborers trainings /Capacity Building Programme	Number of Accredited/Non Accredited Trainings facilitated	8 Accredited/Non-Accredited trainings	R0.00	8	8 Accredited/Non Accredited Trainings by 30 June 2024	8 x Accredited/Non Accredited Trainings facilitated	**Achieved**	None	None	Reports and Attendance Registers
	Basic Service Delivery	6.3.2.3/ 1189	Ntabankulu Ward 14 Water Supply	Construction Steel reservoir; 15,2km Pipelines 15 x	None	R12,000,000.00	3	Construction Steel reservoir; 15,2km Pipelines 15 x	Consultant Panel only appointed on March 30,	**Not Achieved**	Delays in procurement of professional service provide	The municipality should expedite the appointment of	Signed Progress report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				community standpipes in Ntabankulu LM, Ncama Village, ward 11 by 30 June 2024				community standpipes in Ntabankulu LM, Ncama Village, ward 11 by 30 June 2024	2024. The target was changed to Quarter 1 of the 24 / 25 Fin year at the midterm adjustment.		rs and contractors	professional service providers and contractors	

Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1208	Maintenance of Water and Sanitation infrastructure schemes - Matatiele	100% of Identified & Reported Technical Maintenance issues attended in all 129 Matatiele Water schemes by 30 June 2024 (number attended to/number identified & reported)	101	R18,250,000.00	100	100% of all Identified and Reported technical Maintenance issues in all 129 Matatiele Water Schemes attended by the 30 June 2024	100% of all Identified and Reported technical Maintenance issued in all 129 Matatiele Water Schemes were attended in the financial year 2023 - 2024	**Achieved**	None	None	Annual Water Services Maintenance Reports, Job Cards for internal teams or Work Instructions for contracted SPs with Official purchase orders
To build, maintain and provide access to improve, sustainable and	Basic Service Delivery	1209	Maintenance of Water and Sanitation infrastructure scheme	100 % of Identified & Reported Technical Maintati	118	R18,250,000.00	100	100% of all Identified and Reported technical Mainten	Identified and reported technical maintenance issues in 209	**Achieved**	None	None	Annual Water Services Maintenance Reports, Job Cards for

Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
modernized infrastructure to the community by 2027			s - Umzimvubu	nance Issues attended in 120 Umzimvubu Water scheme s by 30 June 2024 (number attended to/number identifie d & reported)				ance issues in all 120 Umzimvubu Water Schemes attended during the 2023/2024 financial year.	Umzimvubu Water Schemes attended by the 30 June 2024				internal teams or Work Instructions for contracted SPs with Official purchase orders
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1210	Maintenance of Water and Sanitation infrastructure schemes - WMMLM	100% of Identifie d & Reported Technical Maintainance Issues attended in 68 WMMLM Water Schemes by 30 June	58	R18,250,000.00	100	100% of all Identified and Reported technical Maintenance issues in all 68 Winnie Madikizela Mandela	100% of all Identified and Reported technical Maintenance issues in all 68 Winnie Madikizela Mandela	**Achieved**	None	None	Annual Water Services Maintenance Reports, Job Cards for internal teams or Work Instructions for contracted SPs with

								LM	LM				
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				2024 (number attended to/number identified & reported)				Water Schemes attended by the 30 June 2024	Water Schemes attended for the 2023 - 2024 financial year				Official purchase orders
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1211	Maintenance of Water and Sanitation infrastructure schemes - Ntabankulu	100% of Identified & Reported Technical Maintatinance Issues Attended din 60 Ntabankulu Water scheme s by 30 June 2024 (number	47	R9,200,000.00	100	100% of all Identified and Reported technical Maintenance issues in all 60 Ntabankulu Water Schemes attende	100% of all Identified and reported technical maintenance issues in all 60 Ntabankulu Water Schemes attended during	**Achieved**	None	None	Annual Water Services Maintenance Reports, Job Cards for internal teams or Work Instructions for contracted SPs with Official

				attended to/number identified & reported) by 30				d by the 30 June 2024	the 2023/24 Financial Year				purchase orders
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				June 2024									
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1212	Refurbishment and Replacement of Water Infrastructure - Matatiele	Complete Refurbishment of 1 water scheme in Cedarville (ward 26) by constructing a new reservoir at the treatment plant. Drilling of	1	R7,000,000.00	2	Complete Refurbishment of 1 water scheme in Cedarvill e (ward 26) by construc ting a new reservoir at the treatme	Completed Refurbishment of 1 water scheme in Cedarvill e in ward 26 by constructing a new reservoir at the water	**Achieved**	None	None	Work Instruction, Official purchase order , signed progress reports & Completion Certificate

				2 additional boreholes in Maluti Township by 30 June 2024				nt plant. Drilling of 2 additional boreholes in Maluti Township by 30 June 2024	treatment plant. Completed drilling of 2 additional boreholes in Maluti Township in the financial year 2023 - 2024.				
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1213	Refurbishment and Replacement of Water Infrastructure - Winnie Madikizela Mandela Local Municipality	Complete construction of 500kl Galaxy tank at WMML M ward 3 (Dumsi village). By 30 June 2024Drilling of 1 borehole in WMML M Ward 8 (KuBha	-	R7,000,000.00	3	Complete construc tion of 500kl Galaxy tank at WMML M ward 3 (Dumsi village) by 30 June 2024. Drilling of 1 borehole in	Completed construction of 500kl Galaxy tank at WMML M ward 3 (Dumsi village), Drilled of 1 borehole in WMML M Ward 8	**Achieved**	None	None	Work Instruction, Official purchase order , signed progress reports & Completion Certificate

				village). by 30 June 2024Replace of 700m gravity line from the bulk line to the existing reservoir in				WMML M Ward 8 (KuBha village) by 30 June 2024. Replace 700m gravity line from the bulk line to the existing reservoir	(KuBha village) and construction of 700m gravity line from the bulk line to the existing reservoir in Lukholo village ward 22				
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				Lukholo village ward 22 by 30 June 2024				in Lukholo village ward 22 by 30 June 2024	by 30 June 2024				
To build, maintain and provide access to improve, sustainable and	Basic Service Delivery	1214	Refurbishment and Replacement of Water Infrastructure - Ntabankulu LM – Ward 12	Complete construction of 1 pump house in Ntabankulu LM – Ward 12	1	R7,000,000.00	4	Complete construc tion of 1 pump house in Ntabankulu LM	Completed construction of 1 pump house in Ntabankulu LM – Ward 12	**Achieved**	None	None	Work Instruction, Official purchase order, signed progress reports

modernized infrastructure to the community by 2027			ulu LM	(Nomgalashe Village) by 31 march 2024. Equipping of existing borehole: Installation of 1 Genset, and 1 borehole pump in Ntabankulu LM – Ward 12				– Ward 12 (Nomgal ashe Village) by 31 march 2024. Equipping of existing borehole: Installation of 1 Genset, and 1 borehole pump in Ntabankulu LM – Ward 12	(Nomgalashe Village) done in 31 March 2024. Equipped the existing borehole: Installed 1 Genset, and 1 borehole pump in Ntabankulu LM –				& completion certificate
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				(Nomgalashe Village) by 31 march 2024. Construction and Completion of 1 reservoir				(Nomgal ashe Village) by 31 march 2024. Construction and Completion of 1	Ward 12 (Nomgalashe Village) done in 31 March 2024. Constructed and Complet				

				in Ntabankulu LM – Ward 12 (Nomgalashe Village) by 31 march 2024. Installation of energy storages in 4 existing boreholes in Ntabankulu town (ward 10) thereof by 30 June 2024				reservoir in Ntabankulu LM – Ward 12 (Nomgal ashe Village) by 31 march 2024. Installation of energy storages in 4 existing borehole s in Ntabankulu town (ward 10) thereof by 30 June 2024	ed 1 reservoir in Ntabankulu LM – Ward 12 (Nomgalashe Village) done in 31 march 2024. Installed the energy storages in 4 existing borehole s in Ntabankulu town (ward 10) done during the 2023/24 financial year				
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the	Basic Service Delivery	1215	Refurbishment and Replacement of Water Infrastructure - Umzimvubu LM	1. Complete Sealing of 1 lei dams, installation of 1 by-pass pipe, Installation of 1 backwash pumps to 1 sand	2	R9,000,000.00	2	1. Complete Sealing of 1 lei dams, installation of 1 by-pass pipe, Installation of 1 backwa	Completed sealing of the lei dam, completed installation of 1 by-pass pipe and rehabilitation of the Mt.	**Not Achieved**	Installation of 1 backwash pumps not completed, 1 sand filters not completed and 2 valve chambers not	None	Work Instruction, Official purchase order , signed progress reports & Completion Certificates

community by 2027				filters, Refurbishment of 1 sand filter, installation of 2 valve chambers in Umzimvubu LM (Mt Frere				s h pumps to 1 sand filters, Refurbishment of 1 sand filter, installation of 2 valve chamber s in Umzimvubu LM (Mt Frere Water	Frere WWTW completed in the 2023/2024.		completed because the components of the sand filters that were initially not planned for, however		
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
				Water treatment Works) by 30 June 2024.2. Rehabilitation of the Mt Frere WWTW by Constructing a sewer pond				treatment Works) by 30 June 2024. 2. Rehabilitation of the Mt Frere WWTW by Constructing a			, some work was done internally by the WSP team.		

				collapsed wall by 30 June 2024				sewer pond collapsed wall by 30 June 2024					
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the commun	Basic Service Delivery	1216	Supply of Water Wastewater Purification Chemicals and accessories	Provide water purification chemicals (180 000kgs Rheoflocc, 5040kgs Chlorine Gas, 31040 kgs of Sodium	10 Purification Works	R9,350,000.00	1	Provide water purification chemicals (180 000kgs Rheoflocc, 5040kgs Chlorine Gas, 31040 kgs of Sodium	Water purification chemicals (180 000kgs Rheoflocc, 1880kgs Chlorine Gas, 21000 kgs of Sodium Hypochl	**Achieved**	Quantities planned on chemicals such as chlorine gas, sodium hypochlorite could not be procure	Align targeted supply with previous used quantities.	Report Delivery Note/s
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification
ity by 2027				Hypochlorite, 2600kgs of Chlorine Chips) for ANDM Treatment Plants by 30 June				Hypochlorite, 2600kgs of Chlorine Chips) for ANDM Treatment Plants	orite, 2500kgs of Chlorine Chips and 50 000kgs of Aluminum Sulphat		d as plants utilized less of these chemicals. Furthermore, additional quantities		

				2024 (Mt. Frere WTW, Mt. Ayliff WTW, Mt. Frere WWTW, Mt. Ayliff WWTW, Mkemane WTW, Nomlacu WTW, Ntabankulu WTW, Ntabankulu WWTW, Belfort WTW, Matatiel				by 30 June 2024 (Mt. Frere WTW, Mt. Ayliff WTW, Mt. Frere WWTW, Mt. Ayliff WWTW, Mkeman e WTW, Nomlacu WTW, Ntabankulu WTW, Ntabankulu WWTW, Belfort WTW, Matatiel	e, 3500kgs Caustic Soda, 25 DPD1 Tablets) were provided in ANDM Treatment Plants during the 2023/4; (Mt. Frere WTW, Mt. Ayliff WTW, Mt. Frere WWTW, Mt. Ayliff		were procure d and delivere d (i.e. aluminu m sulphate , caustic soda and DPD1 tablets)		
Objecti ves	Nationa l KPA	IDP Referen ce Number /KPI ID	Project / Progra mme Name	KPI	Baselin e	Project / Progra mme Budget	Annual Target	Annual Target Descrip tion	Actual Perform ance Descrip tion	**Achieve ment**	Varianc e Reason	Correcti ve Measur es	Means of verificat ion

				e WWTW, Matatiel e WWTW and Kinira Drift WTW) by 30 June 2024				e WWTW, Matatiel e WWTW and Kinira Drift WTW) by 30 June 2024	WWTW, Nomlacu WTW, Ntabankulu WTW, Ntabankulu WWTW, Belfort WTW, Matatiel e WWTW, Matatiel e WWTW and Kinira Drift WTW).				
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the commun	Basic Service Delivery	1217	Infrastructure Asset Management Plan	Develop Infrastructure Asset Management Plan (IAMP) 30 June 2024	None	R3,000,000.00	1	One (1) Draft Infrastructure Assets Management Plan document produced by 30 June 2024	One Draft Infrastructure Assets Management Plan document produced during the 2023/24	**Achieved**	None	None	Infrastructure Asset Register and gap analysis Report Workshop report
Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	**Achievement**	Variance Reason	Corrective Measures	Means of verification

ity by 2027													
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1311	Refurbishment of Mbizana Ponds MIG 10%	Refurbishment of 1 Mbizana Ponds in WMML M Ward 1 by 30 June 2024	None	R19,539,938.07	1	Refurbishment of 1 Mbizana Ponds in WMML M Ward 1 by 30 June 2024	Completion of refurbish ment of 1 Mbizana Ponds in WMML M Ward 1 during the 2023 - 2024 financial year	**Achieved**	None	None	Signed Progress Reports & completion certificate
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1312	Refurbishment of Matatiele Bulk Water Supply in Ward 20 MIG 10%	Refurbishment of Matatiel e Bulk Water Supply in Ward 20 by 30 June 2024	None	R28,000,000.00	1	Refurbishment of Matatiele Bulk Water Supply in Ward 20 by 30 June 2024	Refurbishment of Matatiele Bulk Water supply in Ward 20 was not achieved due to environmental authorization in the financial	**Not Achieved**	Not achieve d due to environmental authorization	The project is then referred to Planning section as it is classifie d as a capital project.	Signed progress report.

									year 2023 - 2024, however the followin g were achieve d which were not part of the project scope; 1. Lekhetla ne equippin g of borehol e s, rising main and all accesso ries in ward 14 2. Maluti Ground water source develop ment by drilling of 2 x				

									Boreholes in Ward 1 & 2 3. Fixing of Matatiele Nature Reserve Borehole equipping and fixing accessories in Ward 19 4. Matatiele CBD replacement of corroded water reticulation steel pipes in Ward 19				
	Basic Service Delivery	6.3.1.3.5 / 1187	Ntabankulu:WSIG Prov Cap Exp	Refurbishment of Mhleleni Water Treatme	None	R2,000,000.00	5	Refurbishment of Mhleleni Water Treatme pumps by 30 June 2024	Rehabilit ation of the access road	**Not Achieved**	Delays in procurement of professin, finalization of designs scope was done.	The project will continue in the	Signed Progress report

	Basic Service Delivery	1190	Umzimvubu:WSIG Prov Cap Exp	1 km sewer pipeline upgrade and Waste water treatment works refurbished in Mt. Ayliff and Mt. Frere town by 30 June 2024	Upgrading of 6,2km sewer bulk line	R20,000,000.00	1	Replacement of 1 km sewer pipeline with all associated manholes and connection to existing sewer mains in Mt. Ayliff by 30 June 2024	Contractor establishment on site in February 2024 and commenced with the replacement of 1km sewer pipeline and the work is still continuing. A total of 523metres of sewer pipe has been laid.	**Achieved**	None	None	Signed Progress Reports

Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
	Basic Service Delivery	1195	Matatiele:WSIG Prov Cap Exp	Wastewater treatment works refurbished in Matatiele LM by changing 1x Aerators, lining of the 2x Aeration ponds with concrete in Matatiele Town WWTW in ward 19) by 30 June 2024	Refurbishment of 2 wastewater treatment works in Matatiele LM (Refurbishment of 1 311m sewer line and refurbishment of 17 manholes, in Cedarville Ponds in ward 26; and Changing the Aerators, Constructing the channel and refurbishment of the	R20,000,000.00	1	Upgrading of sewer network and WWTW in Matatiele by 30 June 2024	Completed Site Establishment and commenced with refurbishment of Matatiele WWTW by clearing of the yard, desludging of the two Aeration ponds and started with concrete lining of Aeration ponds in Ward 19 during the 2023/2024 financial year	**Achieved**	None	None	Signed Progress Reports

					dosing room in Matatiele Town WWTW in ward 19) by 30 June 2023								

Objectives	National KPA	IDP Reference Number /KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To promote and increase earning capacity among the people of the ANDM.	Municipal Transformation And Organizational Development	1220	EPWP	Number of EPWP FTEs reported.	754 Full Time Equivalent (FTEs).	R5,440,000.00	755	Report 755 FTEs by 30 June 2024	755 FTEs reported For 2023/2024 Financial Year	**Achieved**	None	None	Annual Evaluation Report and Annual Expenditure Reports.
Maintenance of buildings to ensure a safe work environment for employees of ANDM	Municipal Transformation And Organizational Development	1221	Building Maintenance	Assessment of ANDM Buildings and conduct repairs as per recommendations on assessment	Building and Maintenance	R14,000,000.00	1	One (1) Assessment report on all ANDM Building status and repairs and maintenance according to assessment by 30 June 2024	For the 2023/2024 financial Year the Assessment was conducted on ANDM building and repairs done in accordance with the recommendations of the assessment of	**Achieved**	none	none	Assements Conducted. Repairs performed.

									ANDM Buildings and conducted repairs as per recommendations of the assessment.				

Unit: WSA

Objectives	National KPA	IDP Reference Number/ KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Optimize systems, administration and operating procedures	Basic Service Delivery	6.1.4.1/ 1067	Free basic services	Number of indigent households verified on indigent register	25000 indigent households verified	R550,000.00	300000	300 000 households verified on indigent register by 30 June 2024	For the 2023-2024 Financial Year 28414 households were verified. The following activities were undertak	**Not Achieved**	Q1: The service provider was not appointed because of non-responsiveness from the service providers	We are not going to procure since there is already a system used.	Appointment Letter, Inception Report, Attendance register, Verification List with 30 0000 verified household

									en: Q1: One Awarenes ss campaign was conducte d in Winnie Madikizel a on the 16th August 2023 Q2: 10257 Indigent househol ds verified in Umzimvu bu LM by 30th Decembe r 2023. Q3: 12592 Indigent Househol ds were captured and verified manually. Q4: 5565 Indigent househol		.		ds on the indigent register

Objectives	National KPA	IDP Reference Number/ KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									ds were verified in Matatiele LM.				
Improve the quality of municipal infrastructure services	Basic Service Delivery	6.1.4.13/ 1079	RRAMS professional fee	Number of reports on Road Infrastructure of Local Municipalities mapped on RRAMS	4	R2,450,000.00	4	4 Quarterly performance reports on Rural Road Asset Management System (RRAMS) by 30 June 2024	4 Quarterly performance reports on Rural Road Asset Management System (RRAMS) compiled for the 2023-2024 Financial Year. The following activities were undertaken: Q1: RAMP Document compiled. Q2 : RRAMS monthly and quarterly report completed	**Achieved**	None	None	4 Quarterly performance reports on Rural Road Asset Management System (RRAMS) by 30 June 2023

Objectives	National KPA	IDP Reference Number/ KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q3 : RRAMS monthly and quarterly report completed Q4 : Report completed				
Improve quality of municipal infrastructure services	Good Governance And Public Participation	6.1.4.14/ 1080	Water and Sanitation Standard Designs	Draft Water and Sanitation Standard Designs	1	R600,000.00	14	14 Draft Water and Sanitation Standard Designs by 30 June 2024	14 Draft Water and Sanitation Standard Designs completed for the 2023-2024 financial year. The following activities were undertaken: Q1: Status Quo and Progress Report completed. Q2: Draft Water	**Achieved**	None	None	Draft Water and Sanitation Standard Designs

Objectives	National KPA	IDP Reference Number/ KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									and Sanitation Standard Details completed Q3: The Project was completed in November 2023. Final Water and Sanitation Standard Details completed and submitted in February 2024				

Unit: Communications

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Promote Public participation through implementation of the communication strategy	Good Governance And Public Participation	6.3.5.4.3/ 1047	Branding and Marketing	20 products procured to brand and market municipal programmes by 30 June 2022	20	R940,000.00	20	20 products procured to brand and market municipal program by 30 June 2024	For the 2023-2024 financial year the department consolidated procurement plan for 5 products and Sent procurement to BTO and procurement processes where initiated on time. The following items were procured: Q1: 1. Backdrop Banners 2. Council Chamber Wallpaper	**Not Achieved**	Quarter 1: We did not achieve our target because of the delays on the issuing of an order for Calendars and diaries, it was issued towards the end of the financial year. NB: During the Mid-Term Communications Unit adjusted the target from 5 to 2 targets each quarter Quarter 2: we did not achieve our targets	Communications Unit will procure Calendars and Diaries in quarter 1 of the next financial year 2024-2025 Communications Unit to procure SA and ANDM Flags in Quarter 1 this financial year	Order & Invoice

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification

									3. Gift sets for Political Principals (Gift Mugs) 4. Framed Photos for official photos Q2: Sent procurement to BTO for 1. Pull up Banners; 2. Mic Covers; 3. Diaries and Calendars; 4. Podium Banner Q3 : Procured the following products for branding and marketing purposes: - Procured Publicatio		because the service provider declined the order for procurement of SA & ANDM Flags in last minute of the quarter		

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									n Stands for Municipal Events - Procured Business Cards for MAYCO Q4 : Procured the following items: - Pop Up Banners - Branded Leather File folders for MAYCO				
To coordinate response to gender inequalities through empowerment, mainstreaming, awareness and consultation of men and women	Good Governance And Public Participation	6.3.5.4.4/ 1048	Community outreaches	Number of community outreaches conducted	8	R100,000.00	8	8 community outreaches conducted by 30 June 2024	For the financial year 2023-2024 Communications Unit attended and provided support to the following community outreaches: - ANDA handover programs for support of Local Farmers	**Achieved**	NONE	NONE	Pictures and attendance registers

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									- MAYCO Oversight Visits in Ntabankulu -MAYCO Oversight visits in Winnie Madikizela Mandela - MAYCO Oversight visits in Matatiele Local Municipality - MKHEMANA WATER PROJECT HANDOVER.jpg Q2: Provided Communications Support to the following programs: 1. Handover of Water Scheme in Matatiele 2. SODA				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									3. Umzilaka Tambo Marathon 4. Handover of SPU Inputs to Women Coop in WMMLM 5. Handover of SPU Support to WMMLM 6. Handover of Agricultural Inputs (PED) 7. Customer Care Awareness 8. Handing over of tractor to Red Hub Grain Project 9. Vaccination Campaign in Ntabankulu				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q3 : Provided Communications support to the following Programs: - Matric Mayoral Awards in WMMLM - VIP Toilet Hand Over in WMMLM - Engagement with Rate payers in EMaxesibeni; - Engagement with KwaBhaca Ratepayers. - Customer Care Day Event in North End Stadium, Matatiele - Community Engageme				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									nt in Ward 24, WMMLM - Mayoral Imbizos in Ward 15, WMMLM Q4 : Provided Communications Support to the following Municipal Events: Matatiele IDP Roadshows Constituency Engagement by Chief Whip Umzimvubu LM IDP Roadshows Handover of VIP Toilets in Ward Ntlanezwe (WMMLM) Handover of Water Contractor				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Butville (WMMLM)				
Promote Public participation through implementation of the communication strategy	Good Governance And Public Participation	6.3.5.4.5/ 1049	Legacy and heritage	3 heritage communication programmes conducted	2	R100,000.00	3	3 heritage and legacy communication programmes conducted by 30 June 2024	For the financial year 2023-2024 Communication Unit provided Communications Support to the following programs: - Mongolong Heritage Event - Tabachicha Heritage Day - Pondo Cultural Festival Q2 : Provided Support to OR Tambo Birthday Celebration in Nkantolo Provided Support to Umzila ka Tambo Marathon	**Achieved**	None	None	Pictures and attendence register

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Isicathamiya festival in WMMLM Q4 : Provided Support to Alfred Nzo Month Programs: 1. Alfred Nzo Soccer Tournament 2. Alfred Nzo Schools Debate				
Promote Public participation through implementation of the communication strategy	Good Governance And Public Participation	6.3.5.4.6/ 1050	Newsletter and Leaflet Production	12 Newsletters and 4 Leaflets Produced	16	R150,000.00	16	12 Newsletters and 4 Leaflets Produced by 30 June 2024	MidTerm: Q2: Produced and Printed Newsletter and Festive Closure leaflet Q3: Newsletter printed x 01 Leaflets produced for: - Message on Mayoral	**Not Achieved**	For the 2023-2024 financial year the intention was to procure 12 monthly newsletters due to poor response from service provider the Municipality was unable to secure panel of service providers for ease of	Communications Unit will procure the production of the newsletter and Leaflet in the first quarter of the new financial year 2024/2025	Concept Document, Closeout Report and Attendance Registers

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Achievers Awards. - Pre-Voter Registration Week leaflet - SOPA - Ntabankulu Public Viewing Q4 : Service Provider declined the order on the 28 May 2024 and SCM is yet to issue another order		procurement therefore the target was adjusted from 12 to 4 in the adjustment. The newsletter was printed for quarter 02 and 03. Leaflets for 2023-2024 produced Q1 Delay in the Advertisement Q2 Newsletter printed and distributed Q3 Newsletter printed and distributed Q4: The appointed Service Provider declined the order issued by SCM on		

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
											the 28 May 2024. For 2023-2024 financial year the following leaflets were produced: Q1 Q2 Leaflet for Festive season, leaflet for infrastructure and Leaflet for back to school. Q3 Leaflet for Mayoral Achievers Awards , SOPA Public viewing and Pre-Voters registration week Q4		

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Promote Public participation through implementation of the communication strategy	Good Governance And Public Participation	6.3.5.4.7/ 1051	Publicity Cost	20 Media Publicity Products Procured	20	R940,000.00	20	20 Media Publicity Products Procured by 30 June 2024	For the financial year 2023-2024 Communications Unit provided Radio Coverage(Live Coverage and Interviews) for the following programs: Men's Summit Pondo Cultural Festival Public Service Month Launch Public Service Week Launch Mayoral Outreach Q2 : Newspaper advert for SODA Live Broadcast of SODA with ANCR	**Achieved**	None	None	Newspaper Cuttings/ Photos or Radio Briefing Notes

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Live Broadcast of Inkonjane. Radio Jingles in advert Radio Slot for SODA by ANDM Speaker Q3 : Provided the following: -Radio Coverage for Elections Rank Activation -Radio coverage for Mayoral Awards -Radio Coverage Mayoral Imbizos in Ward 15 - Newspaper Advert for MPAC Roadshows				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									-Radio Coverage for Customer Care Day Q4 : Procured two Radio Stations(IFM and ANCR) for: - Phuhla Alfred Nzo(Department of Health for Measles Vaccination) - Alfred Nzo District Municipality Fleet Handover - Phuhla Alfred Nzo (Department of Health for Monkey Pox Awareness) - Phuhla Alfred Nzo (Department of Health for TB				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Awareness) - Phuhla Alfred Nzo (GCIS programme on the Presidential Inauguration)				
Promote Public participation through implementation of the communication strategy	Good Governance And Public Participation	6.3.5.4.8/ 1052	Signage	Number of Municipal Signage packages procured	4	R200,000.00	4	04 Municipal Signage packages produced by 30 June 2024	For financial year 2023-2024 Communications support erected signage in the following satellite offices: Q1 : Erected sign for Municipal Health Services at Disaster Main Offices Q2 : Installed Welcome Signage at eMaxesibeni-KZN Border Q3 :	**Achieved**	None	Q3 : None	Order, Invoice and picture of installed signage

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Procured signage for IDMS Water Treatment Works in eMaxesibeni Q4 : Procured Signage for Mount Ayliff Water Treatment Works site.				
Promote Public participation through implementation of the communication strategy	Good Governance And Public Participation	6.3.5.4.9/ 1053	Audio & Visuals Equipment (Capital Expenditure)	Number of Communication Equipment Procured	4	R14,000,000.00	4	4 sets of communication equipment procured by 30 June 2024	For the financial year 2023-2024 Communications Unit procured the following audio visuals equipment : Q1: Procured Digital Camera Q2: Procured Camera SD Cards Q3: Procured HMI Cables and Hard	**Achieved**	MidTerm : Q1 : none Q2 : N/A Q3 : None Q4 : N/A	MidTerm : Q1 : none Q2 : N/A Q3 : None Q4 : N/A	Invites and credentials or meeting report and attendance register

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									case for cables Q4: Procured Upgrade for OB Van Infrastructure. - Interior setup and overhauling: Configure interior layout for equipment placement, ventilation, and cable management. - OB Van inverter backup lithium: Install backup power system for uninterrupted operation, especially in battery system areas with unstable power sources.				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									- Audio setup management and Connect and switching: configure audio equipment for managing audio inputs and switching outputs, including switching between sources. - New digital mixer installation: Mount and configure a new digital mixer to suit broadcasting setup and configuration requirements, including channel routing and EQ. - Audio mixer				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									setup and Configure: settings and connections for audio mixer to manage audio configuration signals effectively.				

Unit: Inter-governmental Relations

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Strengthen Intergovernmental Relations	Good Governance And Public Participation	6.3.5.5.1/ 1065	IGR and Stakeholders management	Number of IGR Fora meetings organized or supported	12	R10,000.00	12	12 IGR Fora meetings organized or supported by 30 June 2024	For the 2023/24 financial year, the following activities were undertaken : Q1 : One DIMAFO was held	**Achieved**	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : The District Mayors Forum meeting was	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : The IGR calendar will be developed in order for	Invites and credentials or Minutes and attendance registers

									on the 31 August 2023 One Municipal Managers Forum was held on the 27 September 2023 One technical IGR forum (DCF) was held on the 28 September 2023 Q2 : Municipal Manager Forum sat on the 08 November 2023 District Mayors Forum sat on the 17 November 2023 District Communicators Forum sat on the 28 November 2023 Q3 : Organized one Municipal Managers		postponed due to non-availability of some members and the variance in the Municipal Managers Forum meetings was due to the elections that were held on 29 May 2024	members to diarise IGR meetings in advance	

									Forum for the 14 February 2024, organized one District Mayor's Forum for the 27 March 2024, supported an IGR Forum by for 06 March 2024. Q4 : Four Municipal Managers Forum meeting were held and One technical IGR Forum meeting was held				
Strengthen Intergovernmental Relations	Good Governance And Public Participation	6.3.5.5.2/ 1066	Municipal cooperative agreements (MIR & Protocol)	Number of Bilateral / Multilateral meetings/ event organized or supported	4	R10,000.00	4	4 Bilateral and/ or Multilateral meetings/ event organized or supported by 30 June 2024	For 2023/24 financial year, the following activities were conducted : Q1 : A multilateral programme on Winnie Madikizela-Mandela Day Celebrations that was	**Achieved**	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : None	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : None	Invites and credentials or meeting report and attendance register

									amongst ANDM, Winnie Madikizela Mandela LM, and Departme nt of Health organized to sit in Winnie Madikizela Mandela LM on the 26 Septembe r 2023 Q2 : 28 November Multilateral meeting at WMMLM with DWS, ANDM, WMMLM, and Umngeni Water Q3 : Organized a bilateral meeting with KwaBhaca ratepayers for the 15 February 2024, Organized a bilateral meeting with eMaxesibe ni ratepayers for the 27 February 2024.				

									Q4 : One multilateral meeting held				

Unit: Environmental Management & Water Quality

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Promote safety and a healthy environment	Basic Service Delivery	6.1.4.2/ 1068	Climate change Mitigation	ANDM Climate Change strategy Reviewable 30 June 2024	4	R1,200,000.00	1	1 ANDM Climate Change strategy Reviewable 30 June 2024	For the 2023/2024 Financial year, the ANDM Climate change response strategy has been reviewed. The following activities were undertaken: Q1 : Appointment letter for climate change	**Achieved**	None	None	1. Final report for climate change strategy

									strategy review Q2 : The first draft report for climate change strategy review was presented Q3 : Final Report of Climate Change Strategy presented				
Ensure both Blue drop (BD) and Green Drop (GD) compliance throughout the district	Good Governance And Public Participation	6.1.4.6/ 1072	Water Safety Plan	Number of water safety plans HIRA completed for WTW	03 Water Safety Plan HIRA	R300,000.00	1	01 Water Safety Plan HIRA for 2 WTW completed by 30 June 2024	For the 2023/2024 Financial Year, the Water Safety Plan was completed. The following activities were undertaken: Q1 : Approved Terms of Reference for Water Safety Plan Q2 : water safety plan developed internal Q3 : First	**Achieved**	Q2 : water safety plan developed internal to comply with SANS 241 Standards, hence no appointment letter in place Q4 : The Water Safety Plan was developed internal by the ANDM technical and water quality team, hence no expenditure incurred	None	Approved Project Terms of Reference, Advert, Purchase Order, Water Safety Plan HIRA Reports

									draft of Water Safety Plan conducted , since the plan was establishe d internally Q4 : The Water Safety Plan was developed internal by the ANDM technical and water quality team, hence no expenditur e incurred				
Ensure both Blue drop (BD) and Green Drop (GD) complianc e throughout the district	Good Governan ce And Public Participati on	6.1.4.7/ 1073	Wastewat er Risk Abatement Plan	Number of wastewate r Risk Abatement Plans HIRA completed for WWTW	-	R900,000. 00	1	01 Completed Wastewat er Risk Abatement Plan HIRA Reports for 6 Wastewat er Treatment Works by 30 June 2024	For 2023/2024 financial year, the Wastewat er Risk Abatement Plan was completed . The following activities were undertake n: Q1 : Approved Terms of Reference for Wastewat er Risk Abatement	**Achieved**	Q2 : The service provider to undertake the project was not appointed due to delays in SCM process, hence HIRA wastewate r risk abatement plan conducted internal Q4 : Wastewat er Risk Abatement	None	Approved Project Terms of Reference , Advert, completed Wastewat er Risk Abatement Plan HIRA Reports

									Plan Q2 : Wastewater risk abatement plan developed internal Q3 : First Draft of WWRAP presented, and the document was developed internal Q4 : Wastewater Risk Abatement Plan was developed internal by the ANDM technical and water quality team, hence no expenditure incurred		Plan was developed internal by the ANDM technical and water quality team, hence no expenditure incurred		
Ensure both Blue drop (BD) and Green Drop (GD) compliance throughout the district	Basic Service Delivery	6.1.4.8/ 1074	Water Quality Monitoring	Number of reports for sample points tested for water quality	12 reports for 67 Sample points	R3,000,000.00	12	12 reports for 67 sample points tested for water quality (Blue drop and green drop status) 30 June 2024	For the 2023/2024 financial year, 12 water quality reports were developed The following activities were undertake	**Achieved**	None	None	Water Quality Compliance Monitoring Reports

									n: Q1: 1. Water Quality Reports submitted to DWS 2. Purchase order for water quality testing kit and disinfection reagents Q2 : three water quality reports submitted to DWS Q3 : Three (3) water quality reports submitted to DWS Q4 : Three water quality monitoring reports submitted to DWS every 10th of 30 June 2024				
Ensure Green drop (GD) compliance throughout the district	Good Governance And Public Participation	6.1.4.10/ 1073	Wastewater Treatment Works Process Audits	Number of Wastewater Treatment Works Process Audits completed	3 Wastewater Treatment Works Process Audits	R900,000.00	1	1 Wastewater Treatment Works Process Audits for 6 WWTW conducted	For 2023/2024 financial year, the Wastewater Treatment Works Process	**Achieved**	Q2 : Wastewater treatment works conducted internal,	None	Approved TORs, Final Wastewater Treatment Works Process

				for WWTW				by 30 June 2024	Audits were conducted : The Following activities were undertaken: Q1 : Approved Terms of Reference for Wastewater Treatment Works process Audit Q2 : wastewater treatment works process audit conducted internal Q3 : First Draft of WWTW Process audit report Q4 : The Wastewater Process Audit was developed internally, hence no expenditure incurred		hence no appointment letter Q4 : The Wastewater Process Audit was developed internally, hence no expenditure incurred		Audits Reports

Ensure Green drop (GD) compliance throughout the district	Good Governance And Public Participation	6.1.4.11/ 1076	Water Treatment Works Process Audits	Number of Water Treatment Works Process Audits completed for WTW	-	R350,000.00	1	1 Water Treatment Works Process Audits for 2 WTW conducted by 30 June 2024	For the 2023/2024 Financial year. The Water Treatment Works Process Audits for were conducted. Q1 : Approved Terms of Reference for Water Treatment Works Process Audits Q2 : Water treatment works conducted internal Q3 : First Draft WTW Process Audit Report Q4 : The water Process Audit was developed internally, hence no expenditure incurred	**Achieved**	Q2: Water treatment works process audit conducted internal for compliance with DWS Regulations, hence no appointment letter in place. Q4 : The water Process Audit was developed internally, hence no expenditure incurred	None	Approved TORs, Final water Treatment Works Process Audits Reports

Unit: IDP and PMS

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To create a conducive environment for participatory development and promote a culture of good governance by 2027	Good Governance And Public Participation	6.1.5.1/ 1082	IDP Review	Number of IDPs reviewed and sent to Council for adoption by 30th June 2024	1 IDP adopted for the period 2022 - 2027	R800,000.00	1	1 IDP for 2024-2025 reviewed and sent to Council for adoption by 30th June 2024	For the 2023/24 Financial Year the IDP Review processes were undertaken and 2024/25 Financial year IDP was reviewed and sent to Council for adoption. The following activities were undertaken: Q1: 1 ANDM IDP/PMS & Budget Framework Plan for 2024-2025 Developed and adoption process by Council was facilitated.	**Achieved**	None	None	Registers for the IDP and Budget outreach. Register for the Steering comm and Rep forum meetings. Final IDP Document. Council resolutions for the framework plan, draft IDP and Final IDP.

									Q2: 1 ANDM Situational Analysis/Research Conducted by 20 December 2023, Supported IDP outreach of local municipalities, Steering committee and Rep Forum for the second quarter set Q3: One Draft IDP tabled to Council Q4: 1. Community consultation on Draft IDP for 4 LM's Conducted. 2. One Steering committee and Rep Forum set 3. Final ANDM IDP adopted by Council.				
To create a conducive environme	Good Governance And Public	6.1.5.2/ 1083	Organizational Performance	Number of Performance Reports developed	4 Quarterly Performance Reports	R700,000.00	4	Development of 4 Quarterly Performan	For the 2024-2025 Financial Year 4	**Achieved**	None	None	Quarterly reports Annual Report

nt for participatory development and promote a culture of good governance by 2027	Participation		Management	and submitted to Council by 30th June 2024	developed, 1 Mid-term report, 1 SDBIP Developed, 1 Annual Performance Report, 1 Annual Report			ce Reports, 1 Mid-term Performance Report; 1 Annual Performance Report, 1 Annual Report, 1 SDBIP by 30 June 2024	Quarterly Performance Reports, 1 Mid-term Performance Report; 1 Annual Performance Report, 1 Annual Report and 1 SDBIP were developed. The following activities were undertaken: Q1: 4th Quarter performance Report developed. Annual performance report developed and submitted the final SDBIP 2023-24 to relevant stakeholders and Upload on website. Q2: 1st Quarter Performan				SDBIP Council resolutions Proof of submission

									ce Report prepared 2. Draft Annual Report template Prepared and submitted to all departments Q3: 1. One quarter 2 performance report developed, One Mid-term report developed by 25th January 2024, One draft Annual Report finalized and submitted to council for noting in January 2024 and it was adopted by 30 March 2024. Q2 and Mid-term reports consolidated and submitted to National and				

									Provincial Treasury as well as CoGTA. Q2, Mid-Term performance report as well as Annual report submitted to Communications unit to upload the Municipal website. Q4: 1. 3rd Quarter performance report developed 2. Draft SDBIP Consolidated and submitted to the Executive Mayor by the 10 June 2024 for Approval.				

Unit: Risk Management

Objectives	National KPA	IDP Reference Number/KIP ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Conduct strategic and operational risk assessment for ANDM.	Good Governance And Public Participation	1084	Strategic and operational risk assessment - ANDM	Number of strategic and operational risk registers complied and monitored by 30 June 2024.	Strategic and operational risk register/profile for 2022/23	R0.00	1	1 Strategic and Operational risk assessment conducted by 30 June 2024.	Strategic and operational risk assessments were performed and concluded for the district. The following risk profiles were produced and tabled to both RMC and APC for adoption: - Strategic, Operational, Fraud, POPI risk profiles.	**Achieved**	Q3 : None Q4 : N/A	Q3 : None Q4 : N/A	TORs Risk registers
Strengthening Oversight Structures to eliminate mal administration, corruption, non-compliance and non – performance by 2027	Good Governance And Public Participation	1085	Conduct Strategic and operational risk assessment - ANDA	Number of strategic and operational risk registers complied and monitored by 30 June 2024.	Strategic and operational risk register/profile for 2022/23	R0.00	2	1 Strategic and Operational risk assessment conducted by 30 June 2024.	Strategic and operational risk assessments were performed and concluded for the district. The following risk profiles were produced and tabled to both	**Achieved**	Q3 : None Q4 : N/A	Q3 : None Q4 : N/A	TORs Risk registers

Objectives	National KPA	IDP Reference Number/KIP ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									RMC and APC for adoption: - TORs and Risk Register Produced and adopted.				
Ensure full implementation of ANDM risk management strategy.	Good Governance And Public Participation	1086	Risk management committee meetings	Number of risk management meetings held	4 quarterly RMC meetings	R150,000.00	4	4 RMC meetings held quarterly by 30 June 2024.	MidTerm: Q1: RMC meeting for the entity was held on the 27th September 2023. The parent RMC meeting is schedule for 11 October 2023 in terms of municipal calendar. Q2: One RMC meeting for the second quarter held on the 11 October. 2023. Q3: Third quarter RMC meeting was held on the 09th of	**Achieved**	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : N/A	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : N/A	Attendance register

Objectives	National KPA	IDP Reference Number/KIP ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									February 2024. Attendance register attached. Q4 : One RMC meeting held for quarter 4 on the 12th of April 2024				
Ensure full implementation of ANDM risk management strategy.	Good Governance And Public Participation	1087	Implement and monitor compliance framework.	Number of district wide none compliance reports	District wide compliance register	R0.00	1	1 Consolidated district wide compliance report by 30 June 2024.	For the period 2023/24 financial year compliance matters were monitored and reported for all the quarters. Q1 : Compliance issues for quarter one has been monitored and evaluated by risk management section and a detailed report with findings been produced and tabled	**Achieved**	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : N/A	MidTerm : Q1 : None Q2 : None Q3 : None Q4 : N/A	Consolidated none compliance report

Objectives	National KPA	IDP Reference Number/KIP ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									to the following assurance establishments: Senior Management Committee, Risk Management Committee, Good Governance and Compliance Committee and is now part of the APC reports to be presented on Friday. Q2: Second quarter compliance targets were monitored as per the municipal compliance wide framework and the report was compiled and processed by relevant establishm				

Objectives	National KPA	IDP Reference Number/KIP ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									ents. Q3: Third quarter compliance targets were monitored and reported as planned to follow the compliance framework. Q4 : Compliance report for quarter 4 was prepared and reported				
Ensure full implementation of risk management strategy.	Good Governance And Public Participation		Development of risk appetite and tolerance framework	Number of developed risk appetite and tolerance framework	Nil	R200,000.00	1	Risk appetite and tolerance framework	Target for the period 2023/24 in terms of Risk appetite and Tolerance framework has been met. A draft Framework is attached as POEs.	**Achieved**	Q3: The project was advertised in December and no adequate response were received and it will be re-advertised waiting Acting MM to approve the advertise	Q3: SCM will be re-advertising the project during the cause of the week, waiting Acting MM to approve the advertisement. Q4 : N/A	Draft Risk appetite and tolerance framework

Objectives	National KPA	IDP Reference Number/KIP ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
											ment. Q4 : N/A		

Unit: Special Programmes

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To identify skills, coordinate youth empowerment for economic growth and development expand, encourage youth through training and education in collaboration with other	Good Governance And Public Participation	6.3.5.3.1/ 1089	Youth Development and Transformation	Number of Youth Development and Transformation Programmes coordinated	13	R1,115,000.00	13	13 Youth Development and Transformation Programmes by 30 June 2024	For the financial year 2023 /2024 the following Youth development and transformation programmes have been successfully coordinated : Q1: 1. (one) Youth Forum meeting	**Not Achieved**	Q4: Youth Coops Support and 4IR Support delayed at the procurement stage and were therefore advertised late.	Q4 : Both programmes will be coordinated in the next financial year depending on the availability of the budget	Concept Document, Reports and Attendance Registers

stakeholders									coordinated 1. (one)Career exhibition coordinated 1. (one) Youth skills development coordinated. Q2: 1. (one) Youth Forum Meeting coordinated 1. (one)Youth Outreach and Moral Regeneration coordinated 1. (one)Provision of Support coordinated Q3 : 1.(one) Grade 12 Achievers Awards were coordinated in Winnie				

									Madikizela Mandela Local Municipality on the 01 February 2024 1.(one) Youth Outreach and information Engagement were coordinated on the 15 February 2024 in Ntabankulu, 26 February 2024 in Mount Ayliff and 29 February 2024 in Matatiele. 1. (One) Youth Forum Meeting was coordinated on the 26 - 27 January 2024 in Mount Ayliff Q4: 1. (one) Youth Coops support program				

									1. (one)Youth Outreach and information Engagement 1.(one) Youth Forum meeting				
To coordinate response to gender inequalities through empowerment, mainstreaming, awareness and consultation of men and women	Good Governance And Public Participation	6.3.5.3.4/ 1092	District Gender Programme	Number of Gender Programmes Conducted	8	R320,000.00	8	8 Gender Programmes Conducted by 30 June 2024	For the 2023 2024 financial year the following gender programmes were coordinated: Q1: 1. (one) Men in partnership against HIV/TB Workshop conducted 1. (one)National Women's Month coordinated Q2 : 1.(one) Men in partnership against gender based violence 1.(one) 16 Days of	**Achieved**	MidTerm : Q1 : None Q2 : None Q3 : none Q4 : None	MidTerm : Q1 : None Q2 : None Q3 : none Q4 : None	Concept Document, Attendance Register and Closeout report. Quarterly Report

									Activism on No Violence Against Women and Children Programme coordinated Q3 : 1.(one) International Women's Month Programme was coordinated on the 19 March 2024 in Cedarville 1. (one)Awareness on GBV was coordinated on the 15 March 2024 in Mount Frere Q4 : 1. (one)Women project support program conducted 1.(one) Gender empowerment program				
To facilitate the	Good Governance And	6.3.5.3.5/ 1093	Co-ordination of District	Number of Children's of	8	R347,000.00	8	8 Children's developm	For the 2023/2024 financial	**Achieved**	None	None	Concept Document, Closeout

creation of an environment that will be conducive for growth and development of children by coordinating government departments and civil society with the district	Public Participation		Children's Development Programmes, Care and Support	Development Programmes Coordinated				ent programmes coordinated by 30 June 2024	year the following children development programmes were coordinated : Q1 : 1.(one)Early Parenting Indaba coordinated 1.(one)Sanitary Dignity Campaign coordinated Q2 : 1.(one)Christmas Party for OVCs coordinated 1.(one)Children's Agricultural Development Q3 : 1.(one) Back to School Support Programme 1.(one)				Report and Attendance Registers

									Substance Abuse Education was coordinated Q4 : 1.(one)Child Protection Week Programme coordinated 1. (one)ECD Support Program coordinated				
To create an environment that is free of barriers , prejudice and stereotypes in-order to maximize access of people with disabilities to basic services	Good Governance And Public Participation	6.3.5.3.6/ 1094	District Disability Programmes	Number of Disability Programmes coordinated	8	R175,000.00	8	8 Disability programmes coordinated by 30 June 2024	For the financial year 2023/2024 the following disability programmes were coordinated: Q1: 1. (one) Disability forum review coordinated 1. (one)Disability Economic summit coordinated Q3: 1. (one) Disability School	**Achieved**	NONE	NONE	Concept Document, Closeout Report and Attendance Registers

									Achievers Awards was coordinated on the 01 February 2024 in Mbizana. 2. Special School Assistance programme was coordinated on the 06 February 2024 in Cedarville Q4 : Conducted 1.(one) Disability Deaf Education awareness programme Conducted 1.(one) Disability Education awareness programme				
To coordinate and facilitate the integration and mainstreaming of Older Persons programmes to keep societal	Good Governance And Public Participation	6.3.5.3.7/ 1095	Older Persons Care & Support	Number of OP Care & Support Programs Coordinated	6	R300,000.00	8	8 Older Persons Programs Coordinated by 30 June 2024	MidTerm: Q1: 1. (one) OP Projects Support coordinated 1. (one)OP Economic Empowerment coordinate	**Not Achieved**	Q4 : winter warmth program procured delayed at the supply chain unit	Q4 : programme will be coordinated in the next financial year if budget is available	Concept Document, Closeout Report and Attendance Registers

norms and values and to maintain their respect and dignity									d Q2: 1. (one) Older Persons Month Commemoration coordinated 1. (one)Older Persons Fun Day coordinated Q3: 1. (one) OP Health Awareness was coordinated on the 13 March 2024 in Matatiele 1. (one)OP Rights Awareness was coordinated on the 21 February 2024 in Ntabankulu Q4 : 1.(one) Winter Warmth program conducted 1.(one) OP				

									Dialogue coordinated				

Unit: Office of the Speaker

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Promote culture of community participation	Good Governance And Public Participation	6.1.8.1/ 1096	Public Participation	Number of stakeholder engagement session held	4	R300,000.00	4	Four (4) stakeholder session held by 30 June 2024	For 2023/24 financial year, 4 stakeholder sessions were held The following activities were undertaken. Q1. One stakeholder engagement session was held by 30th of September 2023. Q2 : District Summer initiation launch\	**Achieved**	None	None	Concept documents and Attendance registers

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									District Inkciyo stakeholder engagement Q3 : One stakeholder engagement held Q4 : Stakeholder session was held				
Instill the ethical behavior using acceptable moral conduct	Good Governance And Public Participation	6.1.8.2/ 1097	Moral Regeneration Movement (MRM)	Number of meetings/ workshops of the Moral Regeneration Movement held	3	R230,000.00	4	Four (4) meetings/ workshops of the Moral Regeneration Movement held by 30 June 2024	For the 2023/24 financial year, 4 meetings/ workshops of the Moral Regeneration Movement were held. The following activities were undertaken Q1: One Meeting of the Moral Regeneration Movement	**Achieved**	None	None	Attendance register, Minutes of Meeting

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									held by 30 September 2023. Q2 : MORAL REGENERATION MOVEMENT Q3 : One MRM meeting was held Q4 : 1 Moral Regeneration meeting was held				
	Good Governance And Public Participation	6.1.8.3/ 1098	District Speakers Forum	Number of District Speakers Forum Meetings held	-	R50,000.00	4	Four (4) Meetings of the District Speakers Forum by June 2024	For the 2023/24 financial year, 4 meetings of the district speaker's forum were held. The following activities were undertaken: Q1: 1. One District	**Achieved**	None	None	Notices of District Speakers Forum Meeting; Reports of the District Speakers Forum Meeting

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Speaker's Forum Meeting held. Q2 : 1 District Speaker's forum was held Q3 : One District Speakers forum was held Q4 : One District Speaker's forum meeting was held				
Ensure effective Oversight function is exercised on the Executive and Administration	Good Governance And Public Participation	6.1.8.4/ 1099	Municipal Public Accounts Committee (MPAC)	Number of MPAC meetings; Number of Oversight visits to projects	5	R5,000.00	8	Four (4) meetings of the MPAC and four oversight visits to projects by 30 June 2024	For the 2023/24 four MPAC meetings were held and 4 MPAC oversight visits were undertaken These are the activities that were undertaken: For the 2023/24	**Achieved**	For Quarter 1 There was no budget for project oversight visits	Budget was subsequently provided during the adjustment budget	Notices of MPAC meetings; Attendance register of MPAC meetings; Reports of oversight visits done to projects; Attendance registers of oversight visits to projects

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									financial year, 4 MPAC meetings were held and 2 Oversight visits conducted The following activities were undertaken: Q1 : One MPAC Meeting held by September 2023 Q2 : MPAC FRUITLESS AND WASTEFUL EXPENDITURE Q3 : One MPAC meeting was held Q4 : MPAC meeting was held, Oversight work was conducted				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Create a platform for the communities to engage with the municipality and present a chance for the Executive Mayor to present the State of the District	Good Governance And Public Participation	6.1.8.5/ 1100	Open Council Day (State of the District Address)	Number of Open Council Days held	1	R850,000.00	1	One (1) Open Council Day held by 30 June 2024	For the 2023/24 financial year, 1 open council meeting was held 1 Open Council meeting was held	**Achieved**	None	None	Attendance register; Concept document for Open Council Day; Close Out Report
Ensure the municipal Council has comprehensive and legally valid Rules and Orders regulating all statutory meetings that are gazette	Good Governance And Public Participation	6.1.8.6/ 1101	Printing of Council Rules and Orders	Number of Printed Rules and Orders	1	R100,000.00	1	1 Reviewed and printed Rules & Orders by 30 June 2024	For 2023/24 Financial year, standing rules and orders were reviewed and printed Q4 : Standing rules and orders were reviewed	**Achieved**	None	None	Printed copy of Rules and Orders
Promote engagements across whips of various political parties represente	Good Governance And Public Participation	6.1.8.7/ 1102	Whippery Programmes	Number of engagements held with whips of various political parties	4	R50,000.00	4	Four (4)Engagements held with whips of various political parties by 30 June 2024	For the 2023/24 financial year, 4 engagements were held with whips of various	**Achieved**	None	None	Concept document; Attendance register; Minutes of engagements held with whips of various

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
d in Council									political parties Q1: 1. An engagement was held with whips of various political parties by 30 September 2023. Q2 : 1 Meeting held with various political party whips Q3 : One engagement with whips of political parties was held Q4 : Multiparty Whippery meeting was held				political parties
Promote accountability to constituencies by Councillors through constant and	Good Governance And Public Participation	6.1.8.8/ 1103	Constituency Work	Number of Constituency Work programmes developed and implemented	3	R157,500.00	4	Four (4) Constituency Work programmes developed and implement	For the 2023/24 financial year 4 constituency work programmes were implement	**Achieved**	None	None	Attendance register, Constituency Work programmes, Progress Report on implement

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
regular meetings								ed by 30 June 2024	ed as follows: Q1: Not achieved Q2 : Not achieved Q3 : One Constituency work was held Q4 : 3 constituency work programmes were implemented				ation of Constituency Work programme
Promote women engagement to provide advocacy and setting women's agenda	Good Governance And Public Participation	6.1.8.11/ 1106	Women's Caucus	Number of women's caucus meetings held	1	R70,000.00	4	4 women's caucus meetings held by 30 June 2024	For 2023/24 financial year, 2 Multiparty Women's caucus meetings were held as follows: Q1 : 1. One Women's caucus meeting by 30 September 2023 Q2 : Not Achieved Q3 : one	**Achieved**	Q2 : No budget Q4 : Limited budget but programs funded institutionally	Allocate sufficient budget for 2024/25	Attendance Registers, Meeting Minutes and Launch Programme

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									women's caucus was held Q4 : Target achieved, Conducted unit strategic plan, conducted unit policy development workshop,				

Unit: Office of the Executive Mayor

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To hold sessions with stakeholders with the intention find solutions to their problems	Good Governance And Public Participation	6.1.9.1/ 1107	Mayoral Stakeholder Engagement Sessions	Number of Stakeholder Engagement coordinated	4 Stakeholder Session to be coordinated	R440,000.00	4	4 Stakeholder Engagement Sessions held by 30 June 2024	For the 2023-24 financial year, 4 Stakeholder Engagement Sessions were held. The following activities were	**Achieved**	None	None	Attendance Register and, Agenda

									undertaken: Q1: One Stakeholder Engagement Session held on the 05 September 2023 Q2: One stakeholder engagement was held. Q3: One Stakeholder Engagement Session held on the 27 March 2024 at ANDM Offices Q4: Two Stakeholders Engagements were held on the 01 May 2024 at Zikhuba-Bulala Ward 29 WMM-LM, It was also held on the 02 May 2024 at Lukholo				

									Ward 22 at WMM-LM.				
To Promote Public participation and Good Meaningful Governance	Good Governance And Public Participation	6.1.9.2/ 1108	Mayoral Imbizos	Number of Mayoral Imbizos coordinated	4 Mayoral Imbizos coordinated	R100,000.00	4	4 Mayoral Imbizos to be coordinated by June 2024	For the 2023/2024 financial year, 4 Mayoral Imbizos were coordinated. The following activities were undertaken: Q1: One Mayoral Imbizos held Q2: One Mayoral Imbizos held Q3: One Mayoral Imbizos held at Makhosonke Village Ward 15 at Winnie Madikizela Mandela LM Q4: Mayoral	**Achieved**	None	None	Concept Document, Attendance Register and Programme.

									Imbizos was held at Pharamakhulo Primary School-Mahlabaneng on the 08 May 2024.The purpose of the Imbizos was to have an engagement with the community regarding water and service delivery challenges.				
To Coordinate section 79 committee sittings to adhere to the legislative prescripts.	Good Governance And Public Participation	6.1.9.3/ 1109	Mayoral Committee Meetings	Number of Mayoral Committee Meetings held	4 Mayoral Committee Meetings	R0.00	4	4 Mayoral Committee Meetings to be held by 30 June 2024	For the 2023/2024 financial year, 4 Mayoral Committee meeting were held. The following activities were undertaken. Q1: One Ordinary Mayoral Committee Meeting held in 21 Septembe	**Achieved**	None	None	Notices; Attendance Registers and Resolution Register

									r 2023 Q3: One Mayoral Committee Meeting held in January 23 January 2024 Q4: Fifth Ordinary Mayoral Committee Meeting was held on the 20 June 2024.					

Unit: Legal Services

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Ensure the full implementation of ANDM Litigation Strategy	Good Governance And Public Participation	6.1.10.1/ 1110	Legal Support and Representation	Number of Progress Reports on Status of ANDM Legal Services Support Provided	Progress report on status of ANDM legal Services.	R5,000,000.00	4	Four (4) progress reports on status of ANDM Legal services by 30 June 2024	2023/24 financial year four progress on status of ANDM legal services the following activities were undertaken : Q1: progress	**Achieved**	none	none	4 progress report on status of ANDM case

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									report on status of ANDM legal services Q2: progress report on status of andm legal services Q3: One (1) progress report on status of ANDM legal Services. Q4 : submitted progress report on status of ANDM legal services				

Unit: Mayoral Affairs

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.1/ 1112	District Initiation Programmes	Number of Initiation programmes completed	7	R115,000.00	2	1. Six (6) Outreach Awareness programs by 30 June 2024 2. Ten (10) District Initiation schools assessed for compliance 30 June 2024	For the financial year 2023/2024, the following targets were achieved in the four quarters: Q1: 1. 2023 Winter Initiation Season Evaluation Report was developed 2. District Initiation Evaluation Meeting was Conducted 3. Two outreach awareness programmes were conducted 4. Two Provincial Initiation Task Team Meeting	**Achieved**	MidTerm : Q1 : None Q2 : none Q3 : None Q4 : None	MidTerm : Q1 : None Q2 : none Q3 : None Q4 : None	10 awareness programme attendance registers, 2023 Winter Initiation Season Evaluation Report, 2023 Summer Initiation Season Action Plan Report, 2024 Summer Initiation Evaluation Report, and 2023 Winter initiation season action plan report. 2 attendance registers for Provincial Initiation Task Team (PITT). Itinerary of Minimum of 20

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									was attended Q2: 1. Initiation Awareness Campaign. 2. Provincial Initiation Meeting (PITT) was attended. 3. 4x4 Bakkies for 2023 Summer Initiation Season was hired. 4. 2023 Summer Initiation Schools Monitoring were conducted. Q3: 1. One (1) District Initiation Evaluation Meeting was held as planned. 2. District evaluation report for				Initiation schools Monitored for 2022 Summer Initiation Season.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									2023 Summer Season was developed. 3. 2024 Winter Initiation planning document was developed. Q4: 1. Itinerary for 2024 Winter Initiation Schools Monitoring was developed as an instrument to assess a minimum of ten (10) initiation school's level of compliance. 2. Five (5) Awareness Campaigns were Conducted 3. Provincial Initiation				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Meeting was attended.				
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.2/ 1113	Scathamiya Festival	Number of Scathamiya Festival Conducted	3	R150,000.00	1	Conduct one (1) Alfred Nzo Annual Scathamiya Music Festival by 31 June 2024	1. One (1) Isicathamiya Music Festival was conducted.	**Achieved**	None	None	Project report with Project Pictures, Concept Document for Isicathamiya Music Festival, 1 Attendance register of the prep meeting.
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.3/ 1114	Traditional Leaders Celebrations	Number of Traditional Leaders Celebrations Coordinated	7	R120,000.00	2	Conduct two (2) Traditional Leaders Celebrations by 30 June 2024	For the 2023/2024 financial year, the following was achieved: Q1: 1. One Pondo Heritage and Cultural Festival was Coordinated and Facilitated. 2. One Madzikane KaZulu Commemoration and Cultural Festival was coordinate	**Achieved**	None	None	1. Concept documents for Pondo and Madzikane Cultural Festivals 2. Attendance registers for Pondo and Madzikane Cultural Festival 3. Close out reports for Pondo Cultural Festival and Pondo and Madzikane Cultural Festival.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									d and facilitated. 3. One Isizwe Samahlubi Heritage and Cultural Festival was coordinated and facilitated. 4. One Heritage and Coronation of Nkosi Sigwiji.				
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.4/ 1115	Alfred Nzo Annual Music Cultural Festival	Number of Alfred Nzo District Cultural Music Festival Conducted	7	R390,000.00	1	Conduct One (1) Alfred Nzo District Annual Cultural Music Festival by 30 June 2024	1. One (1) Alfred Nzo District Annual Cultural Festival was conducted	**Achieved**	None	None	Project report with Project Pictures, Concept Document for Cultural Festival and attendance register Alfred Nzo Annual Music Cultural Festival
Promote public participation and good meaningful	Good Governance And Public Participation	6.1.11.5/ 1116	Makhanda National Arts Festival	Number of Artists supported to showcase at Makhanda	4	R170,000.00	5	Support Five (5) Artists to showcase at Makhanda National	1. Alfred Nzo District Municipality supported eight (08)	**Achieved**	None	None	Concept Document, Attendance register and List of Artists supported

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
governance				National Arts Festival				Arts Festival by 30 June 2024	groups of Artists that were going to showcase their work at Makhanda National Arts Festival, each group comprises of 10 member Artists at a minimum.				and attended.
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.6/ 1117	Development of Local Artists	Number of Local Artists Identify, Monitor and developed	3	R230,000.00	4	Four (4) Alfred Nzo Artists identified, Monitored and developed by 30 June 2024	For the 2023/2024 financial year, The following was achieved: Q3: A meeting was convened and set between ANDM and Local Artists, purpose of the meeting was to Identify and undertake the need analysis of Local Artists. In the	**Achieved**	NONE	NONE	Concept Document for Identify, Monitor and developed of local artists, list of list of identified and developed artists.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									meeting it was identified that Alfred Nzo District has raw talent in performing art, but there is a need to polish those artists and give them more platforms to perform as to develop them in the process. It was then agreed that since there are lots of artists in the region, auditions would be the correct criteria to select those that really need to be developed, and the auditions for smoke and				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									mirrors were conducted . Out of all artists attended the auditions, one artist was selected and was given an opportunity to be one of the main actors in eTV series called Smoke and Mirrors and the unit is continuously Monitoring the artist. 1. Concept Document was developed and signed 2. One (1) meeting was held with Artists 3. A need				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									analysis was undertaken by Alfred Nzo to identify Artists. 4. 2024 Community Theatre Performance Competition was conducted as part of Developing and monitoring Alfred Nzo Artists.				
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.8/ 1119	District Heritage Site Project	Number of number of memorial sites identified and developed	7	R1,000,000.00	1	Identify and develop One (1) District Memorial site by 30 June 2024	1. One (1) memorial site have been identified as Ndlovu heritage site at ward 12 WMMLM. 2. The Ndlovu site has been successfully fenced and completion inspection was done.	**Achieved**	None	None	Close out report
Promote public participation and good	Good Governance And Public	6.1.11.9/ 1120	OR Tambo Legacy Projects	Number of O.R Tambo legacy programm	7	R120,000.00	1	Conduct One (1) O.R Tambo legacy	MidTerm : Q1 : None Q2 : During	**Achieved**	None	None	Attendance registers of the meetings , Concept

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
meaningful governance	Participation			e conducted				programme by 31 June 2024	O.R Tambo month which is October Umzilaka Tambo race marathon was held on the 28 October 2023 and the O.R Tambo memorial lecture was held on the 27 October 2023				document and Close out report
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.10/ 1121	Heritage Month Celebrations	Number of Heritage day celebrations facilitated	7	R300,000.00	1	Facilitate One (1) Heritage Day celebration programme by 30 June 2024	Heritage Day Celebrations was successfully held on the 22 September 2023, at Matatiele Mangolong Village.	**Achieved**	None	None	Closeout report
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.11/ 1122	Mehloding Heritage project	Number of Mehloding Heritage Projects conducted	3	R180,000.00	1	Conduct One (1) Mehloding Heritage Project by 30 June 2024	One (1) Mehloding Heritage Day was successfully held on the 23 September 2023	**Achieved**	None	None	1. Closeout Report with visuals and Concept Document
Promote public participation and good	Good Governance And Public	6.1.11.12/ 1123	Winnie Madikizela Mandela day	Number of Winnie Madikizela Mandela day	3	R250,000.00	1	Conduct One (1) Winnie Madikizela Mandela	One (1) Winnie Madikizela -Mandela Day	**Achieved**	None	None	1. Closeout Report. 2. Concept Document

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
meaningful governance	Participation		Celebrations	celebrations conducted				day Celebrations by 30 June 2024	Celebrations was successfully held on the 26 September 2023				for Winnie Madikizela Mandela.
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.13/ 1124	Nelson Mandela Day Celebrations	Number of Nelson Mandela Day Celebrations programme conducted	3	R250,000.00	1	Facilitate One (1) Nelson Mandela Day Celebrations programme by 30 June 2024	One (1) Nelson Mandela Day Celebration Program was facilitated by 30 June 2024.	**Achieved**	None	None	Concept Document. 2. Closeout Report.
Promote public participation and good meaningful governance	Good Governance And Public Participation	6.1.11.14/ 1125	Research and Development on resourcing of Alfred Nzo Memorial Sites	Number of Research and Development on resourcing of Khananda Hill O R Tambo garden of remembrance Coordinated	4	R120,000.00	1	Coordinate One (1) Research and Development on resourcing of Alfred Nzo Memorial Sites by 31 December 2023	1. One (1) research and development of resourcing Alfred Nzo Memorial sites were successfully coordinated.	**Achieved**	None	None	1. Programme report. 2. Visual Aids

Unit: Information and Communications Technology

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.3.1/ 1138	ICT license	Number of signed system control SLAs	None	R12,950,000.00	6	Six (6) Renewed Licenses by 30 June 2024	For the 2023-24 Financial year 6 licenses were renewed. The following activities were undertaken: Q1 reviewed 2 system control SLAs (Munsoft SLA, Software License Certificate) Q2 No Target Q3 Reviewed 3 system control SLAs (Munsoft SLA, Software License Certificate, Backup Solution SLAs) Q4 Reviewed	**Achieved**	None	None	License Summary, License Certificate, Invoice & Signed SLA

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									1 system control SLAs (Microsoft License summary)				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.3.3/ 1139	Establishment of ICT Centers	Number of new ICT Community center established	7 ICT Community Centre Established	R500,000.00	1	1 New ICT Community Centre Established By 30 June 2024	For the 2023-24 Financial year one new ICT Community Centre was established. The following activities were undertaken: Q1: Terms of Reference of ICT Community Centre were Developed. Q2: Terms of Reference of ICT Community Centre were Approved. Q3: Terms of	**Achieved**	None	None	Signed Terms of Reference, Approved Terms of Reference, Copy of the advert, Close out report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Reference of ICT Community Centre were Advertised. Q4: One new ICT Community Centre was established.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.3.2/ 1140	Implementation of MCGICTPF Phase 3	Number of draft policies	ICT Strategy	R1,000,000.00	100	100% complete implementation of MCGICTPF Phase 3 by 30 June 2024	For the 2023-24 Financial year MCGICTPF Phase 3 was implemented and completed. The following activities were undertaken: Q1: Terms of Reference of MCGICTPF were Developed	**Achieved**	None	None	Signed Terms of Reference, Approved Terms of Reference, Copy of the advert, Draft ICT policies, Close out report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									. Q2: Terms of Reference of MCGICTPF were Approved. Q3: Terms of Reference of MCGICTPF were Advertised. Q4: 36 Draft ICT Policies completed.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.3.11/1141	ICT Infrastructure Upgrade	Number of ICT infrastructure upgraded	None	R2,000,000.00	1	1 ICT infrastructure upgraded by 30 June 2024	For the 2023-24 Financial year one ICT Infrastructure upgrade completed. The following activities were undertaken: Q1: Terms of Reference of ICT Infrastruct	**Achieved**	None	None	Signed Terms of Reference, Approved Terms of reference, Copy of the advert and Close out report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									ure upgrade were Developed. Q2: Terms of Reference of ICT Infrastructure upgrade were Approved. Q3: Terms of Reference of ICT Infrastructure upgrade were Advertised. Q4: One new ICT Infrastructure upgrade impediment and completed.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.3.9/ 1142	Dr Centre Establishment	Number of Servers Installed	None	R500,000.00	1	1 Server Installed by 30 June 2024	For the 2023-24 Financial year one Dr Centre Establishment completed.	**Achieved**	None	None	Signed Terms of Reference, Approved Terms of reference and Close out report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									The following activities were undertaken: Q1: Terms of Reference of Dr Centre Establishment were Developed. Q2: Terms of Reference of Dr Centre Establishment Approved. Q3: Terms of Reference of Dr Centre Establishment were Advertised. Q4: One Dr Centre Establishment impediment and completed.				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.3.8/ 1143	Customer Care System	Number of customer care systems installed	None	R2,000,000.00	1	1 Customer Care System by 30 June 2024	For the 2023-24 Financial year one Customer Care System completed. The following activities were undertaken: Q1: One Licensing of the software implemented and completed. Q2: One Data Analysis conducted Q3: One implementation progress report developed Q4: One Customer Care System	**Achieved**	None	None	Progress Report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									completed.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.4.1/ 1144	Support & Maintenance of ICT Centers	Number of Community ICT Centers functional at all times	7 Community ICT Centers established	R200,000.00	7	7 functional Community ICT Centers in all 4 local municipalities by 30th June 2024	For the 2023-24 Financial year Seven Community ICT Centers Maintained. The following activities were undertaken: Q1 Seven Community ICT Centers Maintained. Q2 Seven Community ICT Centers Maintained. Q3 Seven Community ICT Centers Maintained. Q4 Seven Community ICT Centers	**Achieved**	None	None	Assessment/ Status Reports on functionality of ICT Community Centers

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Maintained.				

Unit: Admin Support

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.1.1/ 1157	Records Management	% of implementation of Records Management Plan	Disposal Report	R242,000.00	100	100% of Effective implementation of Records Management Plan by 30 June 2024	For the 2023-24 financial year 100 % effective Records Management Plan has been implemented. The following activities have been performed: Q1: The department has developed a letter requesting transfer of A20 records to Provincial Archives. The letter	**Achieved**	None	None	Records Transfer Report and ToRs/Memo and Specification

									has been signed by the accounting officer and submitted to Provincial archives. The department has developed two sets of terms of reference for VIP cards and for filling material/archival boxes Q2: The department has reviewed the file plan as it is prescribed by Provincial Archives and submitted the reviewed file plan and requested the approval by Provincial Archives. The department has received				

									letter of approval for disposal authorization of municipal records from Provincial Archives. Q3: The council has adopted the disposal of records. The process of disposing municipal record has started. Provincial archives has granted the municipality the authority to transfer the disposable records The department is waiting for the provincial Archives to verify documents that are due to be transferred for archiving				

									purposes. Provincial Archives have done inspection of storerooms and how records are kept. The process of disposing municipal record is in progress as from the 1st February 2024. The department has written a letter to the Provincial Archives for the transfer of council minutes that are non-disposable. Provincial Archives approved ANDM File Plan Q4: Provincial Archivist and the department concerned				

									have verified records. Provincial archives have granted us authority to transfer A20 records. Disposal of records still continues but the departmen t is about to finish. The File Plan has been approved by provincial Archives. The departmen t has received, recorded, filed and archived of document s from Pay Roll section. The document s were personal files and traveling claims.				
Optimize systems, administra tion and operating	Municipal Transform ation And Organizati onal	6.3.3.1.2/ 1158	Electronic Records Managem ent	% electronic records managem ent	None	R500,500. 00	100	100% of Effective electronic records managem	For the 2023-24 Financial year 100% of Effective	**Achieved**	None	None	1. Scanning Report and 2. Functional File Plan

procedures	Development							ent by 30 June 2024	electronic records management has been implemented. The following activities have been performed Q1: The department has been executing scanning of municipal records in the month of July. Records that are being scanned are payment vouchers for 2018, 2019 and 2020. The department has been executing scanning of municipal records in the month of August Records that are being				

									scanned are payment vouchers for 2018, 2019 and 2020. Q2: Scanning is an on-going process. The departmen t has been executing scanning of municipal records in the month of Septembe r. Document s that have been scanned in the month of Septembe r are payment voucher from 2019, 2020 and 2021. The departmen t has drafted destructio n certificate for the disposed records. Q3: The departmen t has developed				

									Terms of Reference for the automation of file plan and submitted to the office of the acting director for approval. The department has done follow up to Provincial Archives for the approval of reviewed file plan The department has developed Terms of Reference for the automation of file plan and submitted to the office of the acting director for approval. The unit is waiting for the approval of the Terms of Reference . Q4: The departmen				

									t has developed Terms of Reference for the review of the file plan and submitted to the office of the acting director for approval. Terms of Reference have been submitted to the SCM Office for the appointment of the Service provider The department is waiting for the appointment of the service provider.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.1.2/ 1159	Security Services	Number of municipal sites provided with security services	56 Municipal Sites provided with security guards	R26,000,000.00	56	56 municipal sites provided with 24hours security services by 30th June 2024	For the 20223-24 Financial year 56 municipal sites have been provided security services. The monitoring of service providers has been undertaken.	**Achieved**	None	None	Registers, Proofs of Payment and Quarterly Reports

									The following activities have been undertaken. Q1: The department has sat three (3) meetings with the service providers in this quarter. The meetings sat to review the performance of service providers as they render services in the municipality. There was no incidents reported in the month of August that have been reported. All payments for the quarter have been done for all				

									Security service providers as per the SLAs. Q2: The department sat with the service providers, on the 23 October 2023. The meeting sat to review the performance of service providers as they render services in the municipality. There was no accident report. All payments for the month of September have been done for all Security service providers as per the SLAs. Q3: The department sat with the service providers, on the 26 January 2024on the 27				

									February 2024 and march 2024. The meetings sat to review the performance of service providers as they render services in the municipality. . Therefore, the department has started a process of developing terms of reference for security services. The process starts from conducting security need analysis. There was no accident reported. All payments for the month of December have been done for all Security service providers as per the				

									SLAs Q4: The department sits with the service providers on monthly basis to monitor and review the performance of service providers as they render services in the municipality. The contract for the current service providers will expire on the 30 June 2024. The process of appointing the service provider to procure security service providers was facilitated by developing Terms of Reference and approved by Specificati				

									on Committee. All payments for the month of April have been done for all Security service providers as per the SLAs.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.1.9/ 1160	Physical Access control	Number of the implementation of physical access control	09 Biometric devices installed at ANDM's Head Office and satellites.	R500,000.00	5	Five (5) physical access control devices installed by 30 June 2024	For the 2023-24 Financial year five (5) physical access control devices have been installed. The following activities have been performed Q1: Terms of Reference for six (6) biometric devises have been developed and signed by the HOD for approval. The departmen t is waiting	**Not Achieved**	Delayed SCM Processes	Follow up on SCM	TORs , memo & specification, Appointment Letter and Report on installation and functioning of Biometrics

									for the appointment of BSC committee to present the ToRs. Q2: Terms of Reference for six (6) biometric devises have been developed and signed by the HOD for approval. The department is waiting to present TORs to the BSC committee. Q3: Appointment of the service provider to procure six (6) biometric devices was facilitated by developing Terms of Reference and approved by Specification Committee. SCM departmen				

									t has issued the advert for the appointment of the service provider. Q4: Terms of Reference for the procurement of six (6) biometric devices have been reviewed, signed by the HOD and submitted to SCM department for the re-advertisement. The SCM department has issued advertisement for hiring service provider. Advertisement has been issued.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.1.3/ 1161	Security Infrastructure	Number of CCTV Cameras installed at ANDM's Head Office in Mt Ayliff are fully	80 CCTV Cameras installed at ANDM's Head Office and satellites.	R660,000.00	25	25 CCTV Cameras installed at ANDM's Head Office in Mt Ayliff are fully operationa	For the 2023-24 Financial Year 25 CCTV Cameras have been installed at ANDM	**Not Achieved**	Delayed SCM Processes	Follow up on SCM Processes	ToRs, Appointment letter/Purchase order and Report on installation and

				operational at all time				l at all times by 30 June 2024	Head Office in Mt 25 CCTV Cameras installed at ANDM Head Office in Mt Ayliff are fully operational are fully operational The following activities have been undertaken. Q1: Terms of Reference for twenty six (26) CCTV Camera devices have been developed and signed by the HOD for approval. The department is waiting for the appointment of BSC committee to present the ToRs.				functioning of CCTV Cameras

									Q2: Terms of Reference for twenty six (26) CCTV Camera devices have been developed and signed by the HOD for approval. The department is waiting to present TORs to the BSC committee. Q3: Appointment of the service provider to procure CCTV Cameras devices was facilitated by developing Terms of Reference and approved by Specification Committee. SCM department has issued the advert for the appointme				

									nt of the service provider. Q4: Terms of Reference for the procurement of CCTV Cameras have been reviewed, signed by the HOD and submitted to SCM department for the re-advertisement. The SCM department has issued advertisement for hiring service provider. Advertisement has been issued.					

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.1.1/ 1157	6.3.3.1.1	Records Management	% of implementation of Records Management Plan	Disposal Report	242000	100% of Effective implementation of Records Management Plan	For the 2023-24 financial year 100 % effective Records	**Achieved**	None	None	Records Transfer Report and ToRs/Memo and

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
								by 30 June 2024	Management Plan has been implemented. The following activities have been performed: Q1: The department has developed a letter requesting transfer of A20 records to Provincial Archives. The letter has been signed by the accounting officer and submitted to Provincial archives. The department has developed two sets of terms of reference for VIP cards and for filling				Specification

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									material/archival boxes Q2: The department has reviewed the file plan as it is prescribed by Provincial Archives and submitted the reviewed file plan and requested the approval by Provincial Archives. The department has received letter of approval for disposal authorization of municipal records from Provincial Archives.				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q3: The council has adopted the disposal of records. The process of disposing municipal record has started. Provincial archives has granted the municipality the authority to transfer the disposable records The department is waiting for the provincial Archives to verify documents that are due to be transferred for archiving purposes. Provincial Archives have done inspection of storerooms and how				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									records are kept. The process of disposing municipal record is in progress as from the 1st February 2024. The department has written a letter to the Provincial Archives for the transfer of council minutes that are non-disposable. Provincial Archives approved ANDM File Plan Q4: Provincial Archivist and the department concerned have verified records. Provincial				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									archives have granted us authority to transfer A20 records. Disposal of records still continues but the department is about to finish. The File Plan has been approved by provincial Archives. The department has received, recorded, filed and archived of documents from Pay Roll section. The documents were personal files and traveling claims.				
Optimize systems, administration and operating	Municipal Transformation And Organizational	6.3.3.1.2/ 1158	6.3.3.1.2	Electronic Records Management	% electronic records management	None	500500	100% of Effective electronic records managem	For the 2023-24 Financial year 100% of	**Achieved**	None	None	1. Scanning Report and 2.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
procedures	Development							ent by 30 June 2024	Effective electronic records management has been implemented. The following activities have been performed Q1: The department has been executing scanning of municipal records in the month of July. Records that are being scanned are payment vouchers for 2018, 2019 and 2020. The department has been executing scanning of municipal				Functional File Plan

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									records in the month of August Records that are being scanned are payment vouchers for 2018, 2019 and 2020. Q2: Scanning is an on-going process. The department has been executing scanning of municipal records in the month of September. Documents that have been scanned in the month of September are payment voucher from 2019, 2020 and 2021. The department has drafted				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									destruction certificate for the disposed records. Q3: The department has developed Terms of Reference for the automation of file plan and submitted to the office of the acting director for approval. The department has done follow up to Provincial Archives for the approval of reviewed file plan The department has developed Terms of Reference for the automation of file plan and submitted				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									to the office of the acting director for approval. The unit is waiting for the approval of the Terms of Reference . Q4: The department has developed Terms of Reference for the review of the file plan and submitted to the office of the acting director for approval. Terms of Reference have been submitted to the SCM Office for the appointment of the Service provider The department is waiting for the appointme				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									nt of the service provider.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.1.2/ 1159	6.3.3.1.2	Security Services	Number of municipal sites provided with security services	56 Municipal Sites provided with security guards	26000000	56 municipal sites provided with 24hours security services by 30th June 2024	For the 20223-24 Financial year 56 municipal sites have been provided security services. The monitoring of service providers has been undertaken. The following activities have been undertaken. Q1: The department has sat three (3) meetings with the service providers in this quarter. The meetings sat to review the performan	**Achieved**	None	None	Registers, Proofs of Payment and Quarterly Reports

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									ce of service providers as they render services in the municipality. There was no incidents reported in the month of August that have been reported. All payments for the quarter have been done for all Security service providers as per the SLAs. Q2: The department sat with the service providers, on the 23 October 2023. The meeting sat to review the performance of service providers				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									as they render services in the municipality. There was no accident report. All payments for the month of September have been done for all Security service providers as per the SLAs. Q3: The department sat with the service providers, on the 26 January 2024on the 27 February 2024 and march 2024. The meetings sat to review the performance of service providers as they render services in the municipalit				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									y. . Therefore, the department has started a process of developing terms of reference for security services. The process starts from conducting security need analysis. There was no accident reported. All payments for the month of December have been done for all Security service providers as per the SLAs Q4: The department sits with the service providers on monthly				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									basis to monitor and review the performance of service providers as they render services in the municipality. The contract for the current service providers will expire on the 30 June 2024. The process of appointing the service provider to procure security service providers was facilitated by developing Terms of Reference and approved by Specification Committee. All payments for the month of				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									April have been done for all Security service providers as per the SLAs.				

Unit: Human Resources Management and Development

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.2.2/ 1167	Occupational Health & Safety	60 OHS inspections & Audits and 12 reports submitted by 30 June 2024	60 OHS inspection & Safety Audits conducted	R650,000.00	60	Sixty (60) OHS inspections & Audits and 12 reports submitted by 30 June 2024	Sixty -nine (69) OHS inspections & Audits conducted, and 12 reports submitted for the Financial Year of 2023/2024 : Q1: Eighteen (18) Occupational Health & Safety Inspections were conducted. One (1) compliance notice was issued.	**Achieved**	None	None	1. Site inspections, 2.Attendance Registers, OHS 3.Compliance Assessment tool 4. Inspection monthly reports. 5 Compliance Notice.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q2: Eighteen (18) OHS Inspections were conducted in quarter two. Three monthly OHS inspection reports were submitted, and three (3) compliance notice were issued. Q3: Twenty-two (22) Occupational Health & Safety Act were conducted during. Three (3) OHS inspections reports were submitted. One compliance notice was issued Q4: Fifteen (15) Occupational Safety				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									and Healthy Inspections conducted, and Audits conducted. Three monthly OHS inspection Reports compiled and submitted. Three compliance notices issued. Servicing of Five Fire extinguishers conducted, paperwork submitted to SCM.				
Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development	6.3.3.2.4/ 1169	Monitoring of Human Resources Management and Development Policies	Number of reviewed HRM policies	25 reviewed HRM policies adopted by Council by 31 May 2024	R50,000.00	31	Thirty One (31) reviewed HRM policies adopted by Council by 31 May 2024	There were thirty-One (31) HRM& D Policies reviewed 2023/2024. Q1: Implementation HRM & D policies	**Achieved**	None	None	Reviewed Policies; Council Resolution (s)

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									was monitored, and Itinerary of policy roll out was developed in preparation of policy roll out. Q2: HRM &OD Policies were continuously monitored by doing Policy roll-out in all satellite offices between 13 to 19 November 2023. Q3: One progress report for HRM &D Policy Review in preparation for the financial period Q4. Policies were thoroughly reviewed during a Policy				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Review workshop held at Wild Coast Sun from June 10th to 12th, 2024. Furthermore, two (2) Compliance memo were issued for non-compliance of policies of 2024/ 2025. In addition to the workshop, policy consultations were conducted with municipal employees, including those at the Alfred Nzo District Municipality (ANDM) site offices. Following the review process,				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									the revised policies were submitted to the CPS standing committee and the Council by June 2024 for adoption.				
Increase the performance and efficiency level	Municipal Transformation And Organizational Development	6.3.3.3.6/ 1170	Individually Municipal Performance Management System	Number of assessments reviews organized	Three formal assessments conducted	R745,000.00	2	Two(2) formal reviews organized for both permanent and 5 year fixed term contract employees by 30th June 2024	Two formal reviews were organized for permanent employees and 5-year fixed term contract employees by 30th June 2024. Q1: The itinerary of annual Assessments reviews for 2022/ 20233 was developed and circulated. Submission of Performance Agreemen	**Achieved**	None	None	Signed performance agreements, Assessments reports, Approved performance plan, Itinerary for assessments.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									ts by Fixed term contracts Managers were managed and submitted. Submission of performance plans for permanent employees were managed and submitted. Q2: Concept document for Employee excellence was developed and approved. Q3: IPMS Mid Term Assessments for 2023/ 2024 for all employees was coordinated. Q4: Performance Agreemen				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									t Template for the upcoming financial year 2024/25 was developed by June 30, 2024. The Annual Assessments for the year 2023/2024 will only be carried out after the conclusion of the financial year.				
Increase the performance and efficiency level	Municipal Transformation And Organizational Development	6.3.3.3.10/1173	Job Evaluation	Number of job descriptions evaluated by the District Job Evaluation Unit	130 job descriptions evaluated	R65,000.00	50	Fifty (50) job descriptions evaluated by the District Job Evaluation Unit by 30 June 2024	Seventy-Three (73) job descriptions were submitted and evaluated by the District Job Evaluation Committee in 2023/2024 Financial Year:	**Achieved**	None	None.	Attendance registers, Minutes of meetings, Outcome Reports

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q1: Special Job Evaluation Session for ANDM Job Descriptions to be evaluated was coordinated. Approved JDs by the District Committee to the Provincial Audit Committee were submitted to PAC. Fifty-two jobs were evaluated. Q2: Job descriptions were submitted to District Job Evaluation Committee District and to the Provincial Audit Committee. Four Jobs were evaluated. Q3: District				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Job Evaluation session was successfully coordinated. Six Job evaluation were evaluated. 2. Payment of Deloitte license system through SALGA was facilitated. Q4: District Job Evaluation meeting was coordinated and successfully conducted on the 22nd to the 24th of May 2024. Twelve (12) jobs submitted, and all were evaluated by the DJEC and further submitted to the PAC				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									and the FOR were issued.				
Promote municipal transformation and organizational development	Municipal Transformation And Organizational Development	10.2.2.1/ 1174	Employment Equity Plan	1 X Employment Equity report submitted to DOL	Employment Equity report submitted to DOL and Monitored	R0.00	1	One (1) employment Equity report submitted by 30 June 2024	One (1) employment Equity Report submitted 2023/2024 Financial Year. Q1: One Employment Equity meeting was held in quarter one. One training program for Employment Equity was done Q2: One employment Equity meeting was held on the 10 October 2023. Facilitation of training of employment Equity Committee	**Achieved**	None	None	Proof of submission from DoEL, Signed Employment Equity Report, and attendance registers.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Members was done. Submission of employment Equity Report was submitted to Department of Labour Q3: Employment Equity report was submitted in December 2023 Employment Equity meeting was held on the 12 March 2024. Q4: Employment Equity meeting was conducted 25 June 2024				
Promote municipal transformation and organizational development	Municipal Transformation And Organizational Development	6.3.3.2.2/ 1175	Skills Program	Number of trainings conducted as per WSP	60 training interventions implemented	R1,650,000.00	60	Sixty (60) training interventions implemented as per WSP by	There were sixty-two training intervention implemented as per	**Achieved**	None	None	Annual training Plan, Attendance registers, Proof submissio

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
								30 June 2024	WSP 2023/2024 Financial Year. Q1: Ten (10) training programs were conducted Q2: twenty-two (22) training programs were conducted . Q3: Fifteen (15) training Programs were conducted during quarter three (3). Q4: 15 Training programs were conducted .				n from LGSETA & WSP
Promote municipal transformation and organizational development	Municipal Transformation And Organizational Development	6.3.3.2.2/ 1176	External Bursary	Number of beneficiaries monitored and awarded	Monitoring of 10 current beneficiaries bursaries and awarding 4 new	R930,000.00	14	Monitoring of Ten (10) current beneficiaries bursaries and awarding	Ten (10) current beneficiaries bursaries were monitored, and 4 new beneficiari	**Achieved**	None	None	Bursary Advert; Bursary visit reports; Roadshow reports , Proof of Payments

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
					beneficiaries			4 new beneficiaries by 30 June 2024	es were awarded by 30 June 2024 Q1: External Bursary Advert was circulated; Bursary Road show was conducted in the district. Students' visits were conducted. Q2. There was no target Q3: Four (4) external bursaries were awarded to new beneficiaries. Annual progress report for 2023 and 2024 academic year was compiled. Visits to institutions				, Award Letters

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									of higher learning was do during quarter three (30) payment of fees for beneficiaries for first semester was facilitated and paid Q4: Payment of fees for remaining beneficiaries was successfully processed and paid. Student visits to institution of higher learning was conducted on the 23 May 2024 at University of Free State.				
Promote municipal transformation and organizational development	Municipal Transformation And Organizational Development	6.3.3.2.6/ 1177	ISDG Expenditure	Number of ISDG Interns monitored	11 ISDG Interns supported for road to registration as professionals	R1,914,366.48	11	Monitoring of Eleven (11) ISDG Interns for their road to registration as	Eleven (11) ISDG Interns registration as Professionals was done.	**Achieved**	None	None	Mentors Monthly reports , Attendance registers, proof of payments,

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
								Professionals by 30 June 2024	Q1: Monthly contact session with mentees held. Training of graduates was conducted . Payment of graduate's annual fees was paid. Quarterly report was submitted to be submitted Q2: During the month of October, November and December 2023 CPM MENTORS contact session were held. Two Training was conducted in the month of October				quarterly reports business plan , evaluation report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									2023 Q3: One monthly contact session with mentors was done. Payment of graduate annual fees was processed and paid. Quarterly report was submitted Q4: Three Monthly contact session with mentors done by 30 June 2024 2. Payment of graduate annual fees facilitated and paid by 30 June 2024. Submission of One Quarterly report done by				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									30 June 2024				
Promote municipal transformation and organizational development	Municipal Transformation And Organizational Development	6.3.3.2.7/ 1178	Study Assistance Program	Number of Employees assisted by Study Assistance Programme for furthering their studies at Institutions of Higher Learning	16 Employees assisted by Study Assistance Programme for furthering their studies at Institutions of Higher Learning	R800,000.00	8	Eight (8) Employees assisted by Study Assistance Programme for furthering their studies at Institutions of Higher Learning by 30 June 2024	Eight (8) Employees were assisted by Study Assistance Programme for furthering their studies at Institutions of Higher Learning by 30 June 2024: Q1: Awareness to employees about presence of the study assistance scheme was circulated to employees. Q2: Circular for Study assistance was issued. Award letter for study	**Achieved**	None	None	Circular, Approved Memo; Award letter; proof of payments, Progress report.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									assistance was issued in quarter one which is 18 August 2023 Q3: One Progress report for 2023 and 2024 academic year was compiled. Study assistance for existing beneficiaries and new applicants was processed. Q4: The municipality managed to pay for the Five beneficiaries and the report was compiled.				
Enhanced and harmonized Labour Relations Environment	Municipal Transformation And Organizational Development	6.3.3.3.8/ 1172	Employee relations matters.	Number of Local Labour Forum meetings organized	12 Local Labour Forum meetings held	R0.00	12	Twelve (12) Local Labour Forum meetings organized by 30th June 2024+	There were twelve (12) Local Labour Forum meetings organized by 30th	**Achieved**	None	None	1. Invitation. 2 Attendance Register/ Mutual Agreement Certificate.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									June 2024: Q1: Three (3) LLF Meetings were organized. Induction of policies for employees of Corporate Services was done on 2 August 2023.Labour Relations workshop regarding Staff Regulations was done on the 13 to 15 September 2023. Q2: Three (3) LLF Meetings were organized. One employee relations matter was attended regarding secondme				3. Report of employee/ Employer relations

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									nt of Mr. Sokhela after he lodged a grievance. One Labour Relations Training was conducted. Induction of employees on adopted HRM policies was done between 13 and 19 November 2023. Q3: Three (3) Local Labour Forum Meetings were organized. One employee relations matter was conducted by conducting employer and employee relations workshop. One Induction OF LLF				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									members was held at Wild Coast Sun in January 2024 Q4: The Three LLF Meetings were successfully organized. The meeting for April had to be rescheduled to May 2nd due to unavoidable municipal programs. Unfortunately, the May 2nd meeting did not have enough attendees to meet quorum, so it was rescheduled for June and was successfully held. Furthermore, The				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Labour Relations Training program, which focused on HRM&D Policies, was successfully conducted for ANDM employees. Induction there were no new employees appointed in Q4.				

COMMUNITY DEVELOPMENT SERVICES

ANNUAL UNIT BASED PERFORMANCE REPORT FOR FINANCIAL YEAR 2023-2024

Unit: Customer Care

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Promote Public participation and Good Meaningful Governance	Good Governance And Public Participation	1222	Strengthening of District Customer Care Services	Number of customer care workshops conducted for ANDM satellite staff on customer care etiquettes	1	R120,000.00	2	Two customer care workshops conducted for ANDM satellite staff on customer care etiquettes by 30 June 2024	For the 2023/24, four workshops have been conducted for Winnie Madikizela Mandela on ANDM Satellite staff on customer care etiquette on the 15 August 2023, Mount Frere satellite office on the 11th of October 2023, Ntabankulu satellite office on the 15 March 2024 and Matatiele	**Achieved**	None	None	2 x Attendance registers

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									satellite office on the 26 of June 2024.				
Promote Public participation and Good Meaningful Governance	Good Governance And Public Participation	1223	Batho Pele Championship Programme (Implementation)/ Customer Care	Number of customer care awareness campaigns conducted	12	R118,000.00	6	Six (6) customer care awareness campaigns conducted throughout the district by 30 June 2024.	For the 2023/24 financial year, six customer care awareness campaigns have been conducted at Matatiele in Palmlaville on the 30 January 2024, Goxe village on the 21 February 2024, Umzimvubu LM KwaShinta on the 13 February 2024, Dungu Village Ntabankulu LM, Ntabankulu town hall and Ntsinyane village Ntabankulu LM.	**Achieved**	None	None	6 x Attendance registers and copy of orders.
Promote public participatio	Good Governance And	1224	Capacity building of	Number of District Bathopele	4	R0.00	1	1 District Bathopele Champion	1 District Batho Pele	**Achieved**	None	None	Attendance registers and copy

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
n and good meaningful governance	Public Participation		Customer Care Unit	Championship forums revived				ship Forum revived by June 2024	championship forum was revived on the 15 of February 2024 on a virtual form.				of TORS for Bathopele championship forum
Promote Public participation and Good Meaningful Governance	Good Governance And Public Participation	1225	Honoring the Public service month	Number of Programmes launched in line with Public Service Month /week	4	R1,230,000.00	1	1 programme conducted in line with the public service month /week by 30 September 2023	One programme was conducted in line with the public service month on the 08 of September 2024 at Umzimvubu LM Siyakhana Child and youth care center.	**Achieved**	None	None	Copy of signed concept document by Senior Manager - CDS, Attendance register/s
Promote Public participation and Good Meaningful Governance	Good Governance And Public Participation	1226	Customer Care Day	Number of Customer Care days conducted by June 2024	1	R315,000.00	1	1 Customer Care Day conducted by 30 June 2024.	One Customer care day was held at Matatiele LM at North end stadium on the 14 of March 2024	**Achieved**	None	None	Attendance register/s
Improve Community safety and ensure Social Crime and Prevention -	Good Governance And Public Participation	1227	Crime prevention	Number of intervention programmes conducted for vulnerable groups	2	R271,000.00	1	One intervention programmes for vulnerable groups conducted	One Intervention programmes for vulnerable groups was held on the 13	**Achieved**	None	None	Attendance registers and copies of signed technical specificity by Senior Manager_ CDS

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Intervention Programme for vulnerable groups								by 30 June 2024	February 2024 at Umzimvubu LM Shinta junction in a form of Roadblock and One intervention programme for vulnerable groups was held on the 14 of June 2024 at Matatiele LM Tabachicha village in a form of Sports against crime. One District community safety forum meeting was held on the 18 of June 2024 at ANDM Offices.				
Promote Public participation and Good	Good Governance And Public	1228	Presidential Hotline	% of presidential Hotline cases resolved	98%	R0.00	98	98% of Presidential Hotline Cases resolved	98% performance	**Achieved**	None	None	2 Extracts from the OTP Report on

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Meaningful Governance	Participation			by June 2024				by 30 June 2024	achievement was recorded for this year.				presidential hotline

Unit: Fire and Rescue

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To ensure and uphold effective fire and rescue services within the ANDM jurisdiction	Good Governance And Public Participation	1230	Scientific Fire Risk Assessment Conducted and District Fire & Rescue Services Master Plan Developed	Number of Scientific Risk Assessment Conducted and District Fire and Rescue Services Master Plans Developed	0 Assessment and no District Fire and Rescue Service Plan	R350,000.00	2	One (1) Scientific Risk Assessment and a District Fire and Rescue Services Master Plan by 30 June 2024	For the 2023/24 Financial Year, Scientific Risk Assessment and District fire and rescue services master plan was not achieved. However the following activities were	**Not Achieved**	1. Due to insufficient funding, project had to be held back and only one report produced (Procurement facilitation report 2. Procurement for conduction of Scientific Risk Assessme	1. Project to be carried over in 2024/2025 financial year. 2. Funds for special activities must be approved as budgeted by the user departments.	Signed Terms of Reference ; Procurement Facilitation Reports; Fire Risk Data Collection Report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									undertaken: Q1: Terms of reference crafted, submitted to Supply Chain Management and signed by Municipal Manager Q2: Procurement facilitation report Q3: One procurement Facilitation report produced Q4: Fire Risk Assessment conducted by Station Commanders at Critical Occupancies. Fire Risk Data compiled by 30 June 2024		nt not completed. Procurement was delayed by none availability of adequate fund to conduct the study.		

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
	Good Governance And Public Participation	1231	Fire & Rescue - Community Emergency Response Teams	Number of Community Response Teams Developed	15 CERT developed and equipped	R211,000.00	15	15 Community Emergency Response Teams developed, trained, and equipped with Basic Firefighting Equipment by 30 June 2024	For the 2023/24 financial year 15 Community Emergency Response Teams were developed, trained and equipped with basic firefighting equipment. The following activities were undertaken: Q1 Three consultative meetings with Community Leaders held - attendance registers and CERT master list produced. Ten Community Emergency	**Achieved**	None	None	List of Community Emergency Response Teams developed, CERT training report, Picture and attendance registers for Handing over of equipment

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Response Teams trained by 31 December 2023. CERT training report produced and educational material specification crafted and signed by Director CDS. Q3: One Community Emergency Response Teams training report compiled after five Community Emergency Response Teams were developed and trained throughout the District. Q4: CERT Training				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									report and Handing over of Basic Firefighting Equipment developed.				
To ensure and uphold effective fire and rescue services within the ANDM jurisdiction	Good Governance And Public Participation	1232	Amendment of Fire Safety By-Laws	Number of Fire Safety By-Laws Amended	1 By-law due for amendment	R352,000.00	1	1 x Fire Safety By-law amended; Peace Officers Trained on By- Law enforcement tactics and By-Law Enforcement initiated by 30 June 2024	For 2023/2024 Financial year one fire safety by- law was amended and peace officers trained. The following activities were undertaken: 1. Meeting was held with Manager Legal Services to outline road-map after Public Participation was conducted. 2. Public participation report was	**Achieved**	None	None	1 x Fire Safety By-law amended; Peace Officers Trained on By- Law enforcement tactics and By-Law Enforcement initiated by June 2024

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									crafted and presented to the Community Development Services Standing Committee on the 15 August 2023. 3. Database for personnel to be trained as Peace Officers crafted and submitted to HRD (as Skills Audit 2023 - highlighted Orange) to source training as specified. 4. Database for Officials to be trained crafted and submitted to the HRD.				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									5. Order for training of seven Senior Firefighters produced and training was conducted by NMMU from 11 to 15 March 2024.				

Unit: Disaster Management

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Strengthen good governance and reduce risk	Good Governance And Public Participation	1239	Commemoration of International Disaster Day	Number of International Day for Disaster Reduction held	1	R205,000.00	1	Hold 1 International Day for Disaster Reduction (IDDR) 30 June 2024	For the 2023/2024 financial year one International Day for Disaster Reduction conducted in Caba village	**Achieved**	None	None	Concept Document, Invitations, Attendance register, Report
Strengthen good governance and reduce risk	Good Governance And Public Participation	1240	Disaster Management Risk Assessment	Number of Risk Assessment Conducted on Government Buildings	3	R0.00	4	Conduct 4 risk assessments on Government Buildings by 30 June 2024	For the 2023/24 Financial four risk assessments were conducted on governme	**Achieved**	None	None	Quarterly Assessment Reports

									nt buildings. The following activities were undertaken: Q1: One risk assessment at Rode clinic was conducted to check the compliance on government buildings. Q2 : One Risk Assessment conducted in Dundee clinic Q3 : One risk assessment conducted in Ntabankulu Local Municipality Ludeke Clinic Q4 : One risk assessment conducted in Greenville clinic				

									governme nt building				
Strengthe n good governanc e and reduce risk	Good Governan ce And Public Participati on	1241	Disaster Managem ent Public education and Communit y awareness programm e (Disaster 1)	Number of Awarenes s Programm es Conducted	48	R0.00	80	Conduct 80 awareness Programm es by 30 June 2024	For the 2023/2024 financial year 98 Awarenes s campaigns were conducted The following are the activities undertake n Q1 : 25 Awarenes s campaigns conducted Q2 : 20 Awarenes s campaigns conducted Q3 : Conductin g public awareness campaigns to educate and create resilience in Alfred Nzo communiti es Q4 : 29 Awarenes s campaigns conducted across the district	**Achieved**	Q1 : More awareness campaigns conducted due to severe weather conditions and the need to capacitanc e communiti es Q2 : Q3 : There was a need to conduct more awareness campaigns , communiti es are severely affected by the changing weather patterns Q4 : Approachi ng winter season resulted in having more awareness campaigns	None	Quarterly Programs and Attendanc e Registers

Optimize systems, administration and operating procedures	Municipal Transformation And Organizational Development		Procurement of drones	Number of Drones Procured	0	R150,000.00	5	Procurement of 5 Drones purchased by the 30 June 2024	For the 2023/24 Financial year were not procured, however the following activities were undertaken Q2: Signed TORs for the procurement of Drones. Project went for advert, it was non responsive and went for re advert and is currently on adjudication.	**Not Achieved**	Insufficient budget	Reduced number the number of drones to be procured from 05 to 02	Signed TORs and Follow Up Correspondence
Strengthen good governance and reduce risk	Good Governance And Public Participation	1243	Disaster Management Scientific Risk Assessment	Number of Scientific Risk Assessment Conducted	0	R1,500,000.00	1	Develop 1 District Disaster Management Scientific Risk Assessment by June 2024	For the 2023/2024 financial year one scientific risk assessment was conducted. The following were the activities conducted Q1: Terms of	**Not Achieved**	Q4 : There is no Council resolution because the report did not go to the Council	Q4: The report will be tabled in the next council meeting for adoption.	1, Adopted Disaster Management Scientific Risk Assessment 2, Council Resolution

									reference have been developed and signed by the Director, waiting to be presented to the Supply Chain Municipality committees. Q2: Terms of Reference were approved and due to delays in supply chain processes the project is currently on advert. Q4: One District wide scientific risk assessment conducted and report received on the 28 June 2024. The process of appointing a service provider was delayed by supply				

									chain processes. The report was not presented in the Council, therefor there is no council resolution				
Strengthen good governance and reduce risk	Good Governance And Public Participation	1244	Training of Councillors and Disaster Advisory Forum	Number of Trainings for ANDM Councillors and the Disaster Advisory Forum facilitated	0	R0.00	1	Facilitation One Training for ANDM Councillors and the Disaster Advisory Forum by 30June 2024	For 2023/2024 financial year one training of Councillors was conducted. The following activities were conducted Q2 : 01 Training for the Disaster Advisory Forum conducted and 01 training for Councillors	**Achieved**	None	None	Attendance register, Report
To strengthen good governance and reduce risk by Inculcating the culture of Disaster Prevention.	Basic Service Delivery	1245	Response, Recovery and Rehabilitation Programme	% of households assisted with immediate relief materials upon disaster incidents	100%	R2,000,000.00	100	100% of households assisted with immediate relief materials upon disaster incidents within ANDM by 30 June 2024	For the 2023/2024 financial 100% households were assisted with immediate relief material The following	**Achieved**	None	None	Quarterly Assessment and number of relief material distributed.

									were activities conducted Q1: 320 Assessed Households 322 Blankets were distributed. 211 Mattresses were distributed. Q2 : 305 households assessed, 279 blankets distributed and 145 mattress distributed to the affected households Q3 : Conducting damage impact assessment to the affected families and responding with the distribution of relief material to the affected				

									families Q4 : 100% assessments conducted of all the reported incidents and 100% distribution of the relief material provided to the deserving households as per the policy				

Unit: Municipal Health Services

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1246	Air Quality Monitoring	No of AQM & Dust Monitoring Devices procured	AQM Devices procured	R1,500,000.00	2	Procure One (1) Air Quality station for one Satellite. Procured sound level meter conducted and Draft Air Quality Monitoring By-Laws by 30 June 2024	For the 23/24 financial year, the Air Quality Monitoring Station and Sound level meter has not been procured, and this has been moved to 24/25. Draft Air Quality By-Law	**Achieved**	There has been no station procured, as it was still at BEC Stage Q3 : Upon enquiry, it was indicated that the project has just been released from BEC	Recommending moving the project to 24/25	ToRs, Advert, Station, Sound Level Meter & Internal Draft: Air Quality By-Laws

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									has been done The following activities were undertaken: Q2 : Procurement processes were followed up, the project up for advertisement and an email confirming that it has been advertised is uploaded Q3 : The process is still with Committees- (Bid Evaluation and Bid Adjudication). Nothing has been released since January 2024, and on follow-up the status was		and is awaiting BAC Q4 : Advertised		

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									that it was still to be tabled at the BAC Q4 : Processes of drafting the Air Quality By-Laws internally have been initiated, and a draft is available and attached				
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1249	SAIEH/ IFEH World Congress	No of IFEH Congress & SAIEH Council Meetings attended	Attended 2 SAIEH Council Meetings & 1 IFEH World Congress	R130,000.00	3	Attend & participate in 2 SAIEH Council Meetings & 1 IFEH World Congress by 30 June 2024	The 2 SAIEH Council Meetings and 1 IFEH World Congress have been attended and participated in during the 23/24 financial year Q2: Attended SAIEH EC Council Meeting and presentation from ANDM was done	**Achieved**	None	None	Report

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q3 : Attended SAIEH National Council Session Q4 : 1 IFEH World Congress has been attended in Perth, Western Australia, where ANDM made a presentation on Environmental Health Services in Alfred Nzo District Municipality (which is an under-developed country) but a lot is happening				
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred	Good Governance And Public Participation	1250	Inspection of schools	No of schools inspected	6 private schools inspected & issued with health certificates + 115 public schools inspected with no health	R0.00	124	124 schools to be inspected by 30 June 2024	124 schools inspected in 23/24 financial year The following activities were undertaken:	**Achieved**	None	None	Reports

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Nzo District Municipality					certificate issued				Q1; 31 schools inspected Q2 : Inspected 31 schools Q3 : Thirty one schools inspected Q4 : 31 schools inspected				
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1251	Inspection of Food Premises	No of Food Premises inspected	230 Food Premises Inspected	R0.00	230	230 food premises to be inspected by 30 June 2024	236 food premises were inspected in 24/25 financial year Q1 : 58 Food Premises inspected Q2 : inspected 62 Food Premises Q3 : 60 food premises inspected Q4 : 58 Inspections have been conducted to our food premises	**Achieved**	None	None	Reports

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1252	Inspection of Funeral Undertakers and Cemeteries	No of funeral undertakers & cemeteries inspected by 30 June 2024	44 Funeral Undertakers inspected & 7 cemeteries inspected	R0.00	51	Inspect 44 Funeral Undertakers & 7 Cemeteries by 30 June 2024	Inspected 49 FUs and 7 cemeteries for 24/25 financial year Q1 : 11 Funeral Undertakers and 2 cemeteries inspected Q2 : Inspected 16 Funeral Undertakers and 2 Cemeteries Q3 : 11 funeral undertakers and two cemeteries inspected Q4 : 11 funeral undertakers inspected and 1 cemetery inspected	**Achieved**	None	None	Reports
Ensure and maintain that Environmental Health Services	Good Governance And Public Participation	1253	Inspection of Health Establishment(Hospitals, Health Centers	No of hospitals, health centers & clinics inspected	8 hospitals, 2 Health Centers & 20 Clinics inspected	R0.00	12	Inspect 2 hospitals, 2 HCs and 8 clinics by 30 June 2024	Inspected 2 hospitals, 2 HCs and 8 clinics by end of 23/24	**Achieved**	None	None	Reports

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality			and Clinics)	by 30 June 2024					The following activities were undertaken: Q2: Inspected 1 HC, 1 Hospital and 4 clinics Q3 : One hospital and 3 clinics inspected Q4 : Inspected 1 Health Center and 2 clinics				
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1254	Inspection of Alfred Nzo Main Office Buildings	No of ANDM Main Office Building inspected by 30 June 2024	6 Alfred Nzo Office Buildings inspected (all of them have no health certificates as they do not comply)	R0.00	1	Inspect 1 ANDM Main Office Building by 30 June 2024	Inspected 2 ANDM Office Buildings by end of 23/24 financial year Q3 : 1 ANDM Disaster Management Office Building inspected Q4: 1 ANDM Main	**Achieved**	Q3 : None	Q3 : None	Reports

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Office Building inspected				
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1255	Inspection of Prisons and Holding cells	No of Prisons & SAPS Holding Cells	2 prisons & 7 SAPS Holding Cells inspected	R0.00	2	Inspect 1 Prison & 1 SAPS Holding Cells by 30 June 2024	Inspected 1 Prison and 1 SAPS Holding Cells by 23/24 financial year end Below is performance conducted : Q2 : Inspected 1 Prison and 1 SAPS Holding Cells	**Achieved**	None	None	Reports
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1256	Commemoration of WEHD & SALGA Sessions	No of programmes implemented to commemorate WEHD	1 ANDM MHS Build Up programme, 1 EC Provincial Programme & 1 National EH Programme implemented	R0.00	2	Implement 1 programme to commemorate WEHD by 30 September 2023, attend & participate in 1 National SALGA Summit by 30 June 2024	Implemented 2 WEHD programmes and 2 SALGA Sessions Below is what has been achieved: Q1 : 1 programme implemented as a build up to the EC Provincial	**Achieved**	None	None	Reports

Objectives	National KPA	IDP Reference Number/KPA ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									WEHD, and this was the Technical Report Writing, Partnership between ANDM and MUT, and WIL Strengthening, 2 programs implemented to commemorate WEHD Q3 : Attended and participate in 2 SALGA sessions (Provincial and National)				
Ensure and maintain that Environmental Health Services remain the 1st line of defense within the jurisdiction of Alfred Nzo District Municipality	Good Governance And Public Participation	1257	MHS HPCSA Board	No of EHPs Subscription paid	35 EHPs Annual HPCSA Subscription paid	R82,400.00	35	Pay 35 EHPs Annual HPCSA & SAIEH Subscriptions by 31 March 2024	Paid subscription for 35 EHPs by 23/24 financial year end Q3 : Payment for Thirty five EHPs	**Achieved**	Q3 : None	Q3 : None	Proof of Payment

PLANNING AND LOCAL ECONOMIC DEVELOPMENT

ANNUAL UNIT BASED PERFORMANCE REPORT FOR FINANCIAL YEAR 2023 - 2024

Unit: Local Economic Development

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To create a conducive environment that contributes to economic growth and job creation by 2024.	Local Economic Development	6.3.6.1.5/ 1258	Zone Centers Development Programme	Number of SMMEs supported; Number of operational zone centers	5 SMMEs recruited at ANDM Zone Centers development programme; 3 Zone Centers operational	R1,422,158.23	2	Support 5 SMMEs by 30 June 2024; To have 3 operational Zone Centers by 30 June 2024 in ward 01, 12, 23 at Matatiele; ward 27 at Umzimvubu; ward 06 at Ntabankulu	For the 2023/24 Financial Year 5 SMMEs supported with Machinery and Equipment and 3 Zone Centers are operational due to support of machinery and equipment provided.	**Achieved**	None	None	Progress Report; Delivery Registers; Site visit Attendance Registers; Terms of Reference
To create a conducive environme	Local Economic Development	6.3.6.1.6/ 1259	Energy Regeneration Strategy	Number of Energy Regeneration Strategy	1 Energy Regeneration Strategy	R100,000.00	1	Develop 1 Terms of Reference by 30	For the 2023/24 1 Terms of Reference	**Achieved**	None	None	Signed Terms of Reference.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
nt that contributes to economic growth and job creation by 2024.				Strategies reviewed				September 2023	developed and submitted for approval				
To create a conducive environment that contributes to economic growth and job creation by 2024.	Local Economic Development	6.3.6.1.3/ 1260	Resource Mobilization (SMME'S)	Number of Activities Completed	7 funding applications developed and submitted; 4 SMME Roadshows undertaken; 2 Market days held;1 ANDM projects profile Inception Report	R200,000.00	13	Submit 8 funding applications; 4 SMME Roadshows undertaken; 1 ANDM projects profile developed by 30 June 2024.	For the 2023/24 Financial Year 16 Funding applications consolidated and submitted to different funding institutions, 4 SMME Roadshows undertaken in 4 Local Municipalities and 1 ANDM Projects Profile developed	**Achieved**	1. There were more funding opportunities hence the department has consolidated and submitted 8 additional funding applications	1. To improve and add more targets in the next financial year	SMME Roadshow Report; Roadshow Attendance Registers; 8 Funding Applications submissions registers; Progress Report; PSC Attendance Register
To create a conducive environment that contributes to economic growth and job	Local Economic Development	1261	Annual Alfred Nzo Spring Event	Number of events held	1 Annual Alfred Nzo Spring Event Launch held.	R1,331,700.00	1	Annual Alfred Nzo Spring event held by 30 June 2024	For the 2023/24 Financial Year 1 Annual Alfred Nzo Spring Event held.	**Achieved**	Non	Non	Attendance Register and Annual Alfred Nzo Spring Event Report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
creation by 2024.													
To create a conducive environment that contributes to economic growth and job creation by 2024.	Local Economic Development	1262	Resident Arts and Textiles Programme (RA&T Programme)	Number of beneficiaries trained	25 ANDM RA&T Programme beneficiaries trained	R300,000.00	2	Facilitate procurement of software for Embroidery and CAD Equipment, Undertake training of 25 ANDM RA&T Programme beneficiaries by 30 June 2024.	For the 2023/24 Financial Year facilitation of 1 procurement of Software for Embroidery and CAD Equipment was undertaken and training on operating machine was undertaken.	**Achieved**	None	None	Close-out
Formulate strategies for mobilization of development finance and grants for implementation of catalytic projects in the District	Local Economic Development	Beach to Berg	Beach to Berg	Number of leisure facilities at Tabs Dam constructed; Number of trainings conducted;	1 hiking trail developed; 1 visitor information center constructed	R700,000.00	3	Complete construction of Visitor Information Centre, Construct 1 leisure facility at Tabs Dam by 30 June 2024; Conduct 2 Trainings by June 2024.	For the 2023/24 Financial Year 2 trainings on cooperative management and project management were undertaken, construction of Visitor Information Centre completed.	**Achieved**	None	None	Close-out

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To create a conducive environment that contributes to economic growth and job creation	Local Economic Development	1264	Agri-Park Programme- Cropping Development Project	Number of hectares ploughed.	700 ha of arable land ploughed, Grain Production Master Plan, AgriPark Business Plans, GIS AgriPark Mapping Report & Maps	R14,000,000.00	500	Plough 500 ha of arable land by 30 June 2024.	For the 2023/24 Financial Year 573.5 ha has been successfully ploughed across the district.	**Achieved**	+73.5 ha has been planted over and above 500 ha that was initially planned for 2023/24 Fiscal Year.	The Department will plan properly for next financial year in order to address the variance.	Close-out report
To create a conducive environment that contributes to economic growth and job creation	Local Economic Development	1265	Agri-Park Programme - Agro-Processing Hub Development Project	Animal Feed Mill Constructed, Expression of Interest Developed	Heat, Ventilation and Air Conditioning (HVAC), Undertake fire reticulation, construct paving undertaken	R4,600,000.00	1	Monitor construction of Animal Feed Mill Structure by 30 June 2024	For the 2023/24 Financial Year construction of Animal Feed Mill structure has been successfully constructed and monitored as planned.	**Achieved**	None	None	Close-out report
To create a conducive environment that contributes to economic growth and job creation	Local Economic Development	6.3.6.1.4/ 1266	Agri-Park Programme - Farmer Support Programme	Number of agricultural equipment's procured	2 sets of agricultural equipment's procured for 2 agricultural innovative initiatives	R300,000.00	2	Facilitate procurement of 2 sets of agricultural equipment's for 2 agricultural innovative initiatives by 30 June 2024.	For the 2023/24 Financial Year procurement of two (2) sets of agricultural equipment or material has been successfully facilitated	**Achieved**	None	None	Close-out report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									for all agricultural innovative initiatives.				
Formulate strategies for mobilization of development finance and grants for implementation of catalytic projects in the District	Local Economic Development	1316	SMME Database Development and Management	Number of SMMEs recruited for database development and management.	0	R700,000.00	50	Recruit 50 SMMEs for database development and management by 30 June 2024.	For the 2023/24 Financial Year 90 SMMEs recruited for development of database.	**Achieved**	1. The department undertook a recruitment drive to three Local Municipalities after a poor response to call that was made hence it received an addition of 48 SMMEs over and above 25 it targeted.	1. To undertake SMMEs activation drive to all Local Municipalities and improve the targeted number of recruited SMMEs targeted in the next financial year.	SMME Database

Unit: Spatial Planning & GIS

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improved, sustainabl	Cross Cutting	1267	SPLUMA Implementation	Number of SPLUMA Awareness Campaigns Conducted	Trained 5 DMPT members.	R0.00	1	1. Undertake 1 SPLUMA Awareness Campaign	For the 2023/24 Financial Year SPLUMA awareness was	**Achieved**	None	None	Attendance register

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
e and modernized infrastructure to the community by 2027								s undertaken in Chiefdoms 30 June 2024	successfully undertaken on the 21 September 2023.				

BUDGET AND TREASURY OFFICE

ANNUAL UNIT BASED PERFORMANCE REPORT FOR FINANCIAL YEAR 2023 - 2024

Unit: Asset and Liabilities Management

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Update of Fixed Assets Register & Bar coding of infrastructure assets	Financial Viability And Financial Management	6.6.1.1/ 1280	Update Of Fixed Assets	Number of monthly GRAP compliant fixed assets register compiled and updated by 30th June 2024	Number of monthly GRAP compliant fixed assets register compiled and updated by 30th June 2024	R2,500,000.00	12	12 x monthly GRAP compliant fixed asset registers compiled and updated by 30 June 2024	Twelve GRAP compliant fixed asset registers were compiled and FAR reconciliations were signed for 2023/2024 financial year, below are the quarterly activities.	**Achieved**	None	None	Monthly GRAP compliant Asset register; Signed FAR Reconciliations for March, April and May 2024

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q1: Updated FAR and signed reconciliation Q2: Three updated Fixed asset registers and signed reconciliations Q3: Signed FAR reconciliations and updated FAR. Q4 : Updated FAR and Signed reconciliation				
Safeguarding and maintenance of Assets	Financial Viability And Financial Management	6.6.1.2/ 1281	Annual update of Insurance Portfolio by 30 June 2024	Number of annual update to the portfolio of assets that are insured	Updated Insurance Portfolio	R5,000,000.00	2	1 annual confirmation letter and 1 confirmation letter of annual additions by 30 June 2024	One annual confirmation letter and confirmation letters of additions of assets acquired during 2023.2024 financial year were	**Achieved**	None	None	Confirmation letter of additions from insurers and signed claims register

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									received from the Municipal insurer. Below are the quarterly activities. Q1 : Municipal assets are insured Q4 : Confirmation of Cover and Claims Register				
Safeguarding and maintenance of Assets	Financial Viability And Financial Management	6.6.1.3/ 1282	17 municipal vehicle procured by 30 June 2024	Number of vehicles procured	Vehicles Procured	R25,000,000.00	30	30 municipal vehicles procured by 30 June 2024	Thirty vehicles were procured for 2023.2024 financial year.	**Achieved**	None	None	Approved terms of reference, Thirty vehicles procured
Safeguarding and maintenance of Assets	Financial Viability And Financial Management	6.6.1.4/ 1283	Stores site establishment and steel structure constructed by 30 June 2024	Stores site establishment and steel structure constructed in Mt Ayliff by 30 June 2024	Designs, plans and steel structure construction	R3,000,000.00	1	One (1) Stores site establishment and steel structure constructed in Mt Ayliff by 30 June 2024	The construction of stores has not yet started the intention to award was advertised in July 2024. Q3: Approved	**Not Achieved**	There were delays in the appointment of the service to construct Mt Ayliff Stores.	Asset Management unit will work closely with SCM in ensuring that service provider is appointed. When the service provider is	Designs drawings Construction drawings and progress reports.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									TOR Q4: Construction has not yet started.			appointed will intensify monitoring and ensure that the work is done on time.	
Safeguarding and maintenance of Assets	Financial Viability And Financial Management	6.6.1.5/ 1284	Procurement of furniture	Office Furniture procured by 30 June 2024	Office Furniture procured by 30 June 2024	R2,000,000.00	1	Office Furniture procured by 30 June 2024	Office furniture was procured for 2023.2024 financial year. Q1 : N/A Q3 : Office Furniture replaced (desks, cabinets and other office equipment) Office furniture specification Q4 : TOR, Specification and delivery note	**Achieved**	None	None	Approved terms of reference, approved specification and delivery note

Unit: General Expenditure

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Payment of Creditors within 30 Days	Financial Viability And Financial Management	6.6.2.1/ 1285	Creditors Management	% of General Expenditure Creditors paid within 30 days from receipt of valid invoices	80	R0.00	100	100% of General Expenditure Creditors paid within 30 days from receipt of valid invoices by 30 June 2024	100% of creditors were paid within 30 days of receiving an invoice for 2023/2024 financial year. The following activities were performed each quarter. Q1: 100 % of creditors was paid within 30 days of receiving an invoice. Q2: 100% of creditors with valid, accurate and authorized invoices were paid within 30 days. Q3 :100% invoices were paid within 30 days of receiving a	**Achieved**	:Wes bound is on hold by National treasury	Service provider will be paid once we receive the approval from national treasury	Creditors Listing and Age Analysis, Withdrawal report, Invoice register, Creditors Reconciliations, Report on invoices not paid within 30 days

									valid and authorized invoice Q4 : 100% of valid, accurate and approved invoices are paid within 30 days				
Improve expenditure management and controls	Financial Viability And Financial Management	6.6.2.3/ 1287	Payroll Management	Number of payroll runs processed	24	R150,000.00	120	120 payroll runs processed by 30 June 2024	120 payroll runs were processed for 2023/2024 financial year. The following activities were undertaken for each quarter. Q1 : 30 payroll runs were processed by 30 September 2023 Q2 : 30 payroll runs were processed by 31 December 2023 Q3 : 30 payroll runs were processed by 31 March	**Achieved**	None	None	Payroll Reconciliations, Payroll Suspense Accounts, EMP201 Report, Payroll Calendar, S66 Report

									2024 Q4 : 30 payroll runs were processed by 30 June 2024				

Unit: Project Expenditure

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Strengthen Governance and reduce risk	Financial Viability And Financial Management	6.6.3.1/ 1288	Creditors Management	100% of project expenditure and Eskom invoices paid within 30 days from the receipt of valid invoices	-	R0.00	100	100% of project expenditure and Eskom invoices paid within 30 days from the receipt of valid invoices by 30 June 2024	For the 2023-2024 Financial Year 100% of project expenditure and Eskom invoices were paid within 30 days from the receipt of valid invoices. The following activities were undertaken: Q1 : 3 month invoice registers, Eskom	**Achieved**	None	None	Invoice Register , Eskom Reconciliations and remittance

									reconciliations and remittance Q2 : 3 month invoice registers , Eskom reconciliations and remittance Q3 : 3 Month invoice register , Eskom Reconciliations and remittance Q4 : 3 month Invoice registers , Eskom reconciliations and remittance				

Unit: Revenue

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Implement Revenue Enhancement Strategy	Financial Viability And Financial Management	6.6.4.1/ 1290	Revenue Enhancement Strategy	Number of monthly progress report on implementation of Revenue Enhancement Strategy dealing	1 Implement Revenue Enhancement Strategy by the 31 May 2024	R1,000,000.00	12	12 x monthly Meter readings report, Tariff setting and Billing reports on progress on	12 x monthly Meter readings report, Tariff setting and Billing reports produced on	**Achieved**	Also produce 6 reports on implementation of Revenue enhancement strategy	None	Meter readings and Billing reports

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
				with Tariff settings, Meter reading and Billing report by 31 May 2024				implementation of Revenue Enhancement Strategy by 31 May 2024	progress on implementation of Revenue Enhancement Strategy for 202324 financial year. The following tasks were undertaken .Q1: Billing are prepared on a monthly basis and system is closed on the third working day of every month. Q2: Meters are ready every month. Perform monthly Billing and Close Billing module on the 2nd of every month. Q3: Meters are extracted on a				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									monthly basis through Peter meter and downloaded to Munsoft. Run deviation report. Perform preliminary report. Close the Billing module Q4: Meters are read on a three (3) year cycle monthly. Download meters to Billing system. Run deviation and preliminary				
Implement credit and Debt Management policy and By laws	Financial Viability And Financial Management	6.6.4.2/ 1291	Revenue Collection and Data cleansing	Number of monthly reconciliations of Debtors, Revenue from exchange transactions, Tariff on accounts, government	2. Implement credit and debt collection policy and by laws by the 31 May 2024	R1,000,000.00	12	12 x monthly reconciliations of Debtors, Revenue from exchange transactions, Tariff on account and governme	12 x monthly reconciliations of Debtors, Revenue from exchange transactions, Tariff on account and governme	**Achieved**	Produce additional Prepaid reconciliations.	None	Signed monthly reconciliations of Debtors, Revenue from exchange transactions, and Tariff on accounts and governme

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
				accounts 31 May 2024				nt accounts by 31 May 2024	nt accounts by 30 June 2024 Q1 : Reconciliation of Debtors,Revenue,government departments ,tariff on account are prepared on a monthly through bank statements, general ledger ,MSCOA Tb Q2 : Reconciliation of Debtors are performed through Debtors control account and Age Analysis. Reconciliation of Revenue are performed through MSCOA TB, General ledger-				nt reconciliations.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									ledger and supportive documentation. Q3: Reconciliations are performed through general ledger, sub ledger, Age Analysis and Tariff on account. Q4: Reconciliation are prepared monthly through MSCOA TB, general ledger, Age Analysis, and Tariff account and valuation rolls.				
Implement credit and Debt Management policy and By laws	Financial Viability And Financial Management	6.6.4.3/ 1292	Revenue Collection and Debt Management(part 2b)	Number of revenue management reports performed stated the revenue collected from customers	3. Implement credit and debt collection policy and by laws by the 31 May 2024	R40,045,628.00	12	12 x monthly revenue management reports stating the revenue earned from customers	12 x monthly revenue management reports stating the revenue earned from customers	**Achieved**	None	None	monthly Revenue Management reports

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
				by 31 May 2024				31 May 2024	for 202324 Financial year. The following tasks were undertaken .Q1: Revenue Management report are done on a monthly basis through general ledger and mSCOA TB. Q2: Revenue Management reports are done every month through MSCOA Tb, General ledger and Age Analysis which revenue collected each month. Q3: Revenue Management report are performed through				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									General ledger, MSCOA TB and Age Analysis. Q4 : Revenue management reports are prepared through general ledger ,MSCOA Tb,Age Analysis				
Develop and implement Cash and Investment policy	Financial Viability And Financial Management	6.6.4.4/ 1293	Cash and Investment policy (part 2/b)	Number of Investment, s, interest, and reconciliations performed between cashbook, bank statements and the general ledger.	4. Implement cash and Investment policy by the 31 May 2024	R0.00	12	12 x monthly reconciliations of investments , ,interest by 31 May 2024	12 x monthly reconciliations of investments, interest by 202324 2024 The following tasks were undertaken .Q1: Reconciliation of investments are performed through bank statements, cashbook, general ledger and the TB. Q2: Reconcilia	**Achieved**	Q1 : Overachieved we produce 3 Investment procedures Q2 : The investment procedures are also performed as additional reconciliation. Q3 : Produce 3 additional reconciliations for investments Q4 :	None	Signed monthly reconciliations of investments, , interest.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									tion of investments are performed through bank statements, MSCOA TB, general ledger and Cashbook. Q3 : Reconciliations are performed through general ledger,Mscoa TB and sub ledger Q4 : Reconciliation of investments,procedures,interest are prepared through MSCOA TB,general ledger and bank statement		Produce 3 procedure reconciliations		
Develop and implement Cash and Investment policy	Financial Viability And Financial Management	6.6.4.5/ 1294	Cash and Investment policy (part 3/C)	Number of conditional Grants updated and reconciled between cashbook, bank	5. Implement cash and Investment policy by the 31 May 2024	R0.00	12	12 x monthly updating and reconciliation of Conditional Grants by	12 x monthly updating and reconciliation of Conditional Grants for 202324	**Achieved**	Produce Grants revenue reconciliation	None	3 Signed Grant or Liability register and reconciliation.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
				statements and the general ledger.				31 May 2024	financial year. The following tasks were undertaken Q1: Primary account are administered on a monthly basis through bank statements identify grants and record to the correct account. Q2: Administration of primary account are done on a daily basis and allocate Grants to the correct liability account. Reconciliation of grants through DORA, bank statements and the general ledger Q3:				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Grants are performed through bank statements and cashbook on a monthly basis Q4: Adm primary account are administered on a daily basis and allocated to the correct conditional grant as liability. Reconcile to DORA, bank statements and general ledger.				
Develop and implement Cash and Investment policy	Financial Viability And Financial Management	6.6.4.6/ 1295	Cash and Investment policy (part 4/D)	Number of monthly bank reconciliations performed	6. Implement cash and Investment policy by the 31 May 2024	R0.00	12	12 x monthly reconciliation of Bank by 31 May 2024	12 x monthly reconciliation of Bank for 202324. Financial year. The following tasks were undertaken .Q1: Bank reconciliation are	**Achieved**	None	None	Signed Bank reconciliation.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									prepared through bank statements coming from the bank and cash book from Munsoft on a monthly basis for three months. Q2: Bank reconciliation are performed through bank statement and the cashbook on a monthly basis. Q3: Bank reconciliations are performed on a monthly basis through bank statements from the bank Q4: Bank reconciliation are prepared through				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									cash book and bank statement.				
Implement Indigent register and support	Financial Viability And Financial Management	6.6.4.7/ 1296	Indigent Support and Management	Number of monthly allocation of Indigent subsidy as per Indigent policy and approved Indigent Customers.	7.Implement Indigent policy by 31 May 2024	R3,500,000.00	12	12 x monthly allocation of Indigent subsidy by 31 May 2024	12 x monthly allocation of Indigent subsidy for 202324 financial year. The following tasks were undertaken. Q1: Qualified customers are given 6000 kl on a monthly basis. Q2 : Approved Indigent Customers are given 6000 liters on a monthly basis and write off are done to all qualified Customers , Q3 : Qualified Customers are given free kl on a monthly basis Q4 :	**Achieved**	Reconciliation of Indigent to the Valuation rolls	None	Indigent register, Indigent report

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Qualified Indigent customers are given 6000kl / 6 liters on a monthly basis				
Implement credit and Debt Management policy and By laws	Financial Viability And Financial Management	6.6.4.8/ 1297	Stakeholder Engagement or Rates payers meeting	4 Quarterly stakeholder engagements with customers	8.Implement credit and debt collection policy and by laws by 31 May 2024	R0.00	4	4 quarterly engagement of customers by 31 May 2024	8 quarterly engagement of customers held in 202324 financial year .The following tasks were undertaken. Q1 2 Stakeholder engagement are done on a quarterly basis. Q2:2 Stakeholder Engagement are done on a quarterly basis. Q3:2 Stakeholder engagement are done on a quarterly basis	**Achieved**	4 additional stakeholder engagement was done in addition with 4 planned stakeholder engagement.	None	Attendance Register

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q4 2 Stakeholder engagement are conducted quarterly.				
Develop and implement Cash and Investment policy	Financial Viability And Financial Management	6.6.4.9/ 1298	Cash and Investment policy (part 1/A)	Number of Daily cash ,cash and bank reconciliations performed	9. Implement cash and Investment policy by the 31 May 2024	R0.00	12	12 x monthly reconciliation of cash on hand and bank by 31 May 2024	12 x monthly reconciliation of cash on hand and bank for 202324 financial year. The following tasks were undertaken .Q1: Cash paid by customers are reconciled on a daily basis through daily and cash reconciliation for a period of 3 months Q2: Daily cash recon are performed daily through cashiers report, cashbook, receipt book and	**Achieved**	Achieved also performed cash and bank reconciliation through cashbook reports and the General ledger and Direct Deposits.	None	Signed cash and bank reconciliations.

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									smart boxes. Cash reconciliation are performed through bank statements and cashbook on a monthly basis. Q3: Reconciliations of cashbook and Bank statements are prepared on a monthly basis through bank statements from the bank Q4: Daily cash reconciliation are prepared on a daily basis and reconcile to cashbook, cashiers report, bank ststatementand the				

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									general ledger.				

Unit: Supply Chain

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Maintenance of Procurement Plan	Financial Viability And Financial Management	1300	Maintenance of Procurement Plan	1 x Approved procurement plan developed compiled by 30 June 2024 and 12 monitoring reports	Approved procurement plan developed compiled by 30 June 2024 and 12 monitoring reports	R0.00	13	1 approved procurement plan developed compiled and 12 monitoring reports by 30 June 2024	One Approved procurement plan developed compiled and 12 monitoring reports by 2023.2024 financial year. The following projects were achieved. Q1 : 3 X monthly Monitoring and reporting of the procurement plan by 30 September 2022	**Achieved**	None	None	1X Approved procurement Plan and 12 Monitoring Reports

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									Q2 : 3 X monthly Monitoring and reporting of the procurement plan by 31 December 2022 Q3 : 3 X monthly Monitoring and reporting of the procurement plan by 31 March 2024 Q4 : 1 x Approved procurement plan and 3 X monthly Monitoring and reporting of the procurement plan by 30 June 2024				
Maximize economies of scale and value for money by complying with SCM policies.	Financial Viability And Financial Management	1301	SCM Projects-Procurements	Number of monthly Status of SCM Reports dealing with deviations, contract register	12 X monthly Status of SCM Reports dealing with deviations, contract register	R0.00	12	12 X monthly Status of SCM Reports dealing with deviations, contract register	Twelve monthly Status of SCM Reports dealing with deviations, contract register	**Achieved**	None	None	12 X monthly Status of SCM Reports dealing with deviations, contract register

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
				per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000	per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000			per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000 by 30 June 2024	per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000 for 2023.2024 financial year. The following activities were achieved. Q1 : 3 X monthly Status of SCM Reports dealing with deviations, contract register per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded				per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									above R200 000 by end of September 2022 Q2 : 3 X monthly Status of SCM Reports dealing with deviations, contract register per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000 by end of December 2022 Q3 : 3 X monthly Status of SCM Reports dealing with deviations, contract register per department, orders				

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
									issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000 by end of March 2023 Q4 : 3 X monthly Status of SCM Reports dealing with deviations, contract register per department, orders issued less than R30 000, orders issued less than R200 000, bids awarded above R200 000 by end of March 2024				
Ensuring that projects are implement	Financial Viability And Financial	1302	Bid Committee Training	Proof that training was done	1 X Bid Committee Training	R200,000.00	1	1 X Bid Committee Training by 30 June 2024	1 X Bid Committee Training held for 2023.2024	**Achieved**	None	None	1 X Bid Committee Training (attendance register)

Objectives	National KPA	IDP Reference Number	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
ed timeously	Management								financial year, the following activities were achieved. Q2 : 1 X Bid Committee Training by December 2022 Q4 : 1 X Bid Committee Training by 30 June 2024				

Unit: Budget and Reporting

Objectives	National KPA	IDP Reference Number/KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
Prepare accurate and reliable Annual Financial Statements	Financial Viability And Financial Management	1303	Preparation of Annual Financial Statements	Number of credible financial statements submitted to Internal Audit and Office of the Auditor General	5 sets of Financial Statements	R6,795,750.00	5	5 financial statements prepared and submitted to Internal Audit and AG by 30 June 2024	5 financial statements were prepared and submitted to Internal Audit and AG for 30 June 2024. The following activities were undertaken:	**Achieved**	None	None	Mid-year AFS, Proof of submission of Mid-year AFS to Internal Audit

									Q1 : Prepared and Submitted 1 ANDM AFS to Auditor General by 31 August 2023, prepared and submitted 1 consolidated AFS to AG by 30 September 2023, Developed 1 AFS Project plan for 2022-2023 FY. Q2: Adjusted 2 sets of financial statements i.e. ANDM AFS and ANDA AFS and submitted to AG. Q3 : Prepared midterm financial statements and submitted to Internal Audit				
Implement mSCOA	Financial Viability	1304	Reporting complianc	Number of monthly	'12	R0.00	12	12 X monthly	12 X monthly	**Achieved**	None	None	3 S71 Reports,

budgeting and reporting	And Financial Management		e with MFMA	S71 reports submitted to the Executive Mayor within 10 working days after the end of the month				S71 Reports Produced and submitted to the Mayor and uploaded on GoMun Portal within 10 working days after the end of the month by 30 June 2024	S71 Reports Produced and submitted to the Mayor and uploaded on GoMun Portal within 10 working days after the end of the month for the 2023/ 2024. The following activities were undertaken: Q1 : Produced 3 Monthly S71 Reports (June, July, Aug) and submitted to the Municipal Manager and uploaded on GoMun Portal within 10 working day after the end of each month				Proof of submission to the Municipal Manager and Treasury

									Q2 : Produced 3 Monthly S71 Reports (Sept, Oct & Nov) and submitted to the Municipal Manager and uploaded on GoMun Portal within 10 working day after the end of each month Q3 : Produced 3 monthly S71 reports (Dec, Jan & Feb)and submitted to the Municipal Manager and uploaded on GoMun Portal within 10 working day after the end of each month Q4 : Produced 3 Monthly S71 Reports (March,				

									Apr & May) and submitted to the Municipal Manager and uploaded on GoMun Porta within 10 working day after the end of each month				
Develop and Implement credible and sustainable budget	Financial Viability And Financial Management	1305	Budget implementation and Monitoring	Number of credible budget adopted	'3 budgets submitted	R1,800,000.00	3	3 budgets adopted by 30 June 2024	3 budgets were adopted for the 2023/2024 financial year. The following activities were undertaken: Q1 : Prepared the 24/25 IDP/Budget Framework/Process Plan and submitted for approval by Council on 31 August 2023 Q3 :	**Achieved**	None	None	Final Annual budget, Council resolution for final annual budget, Budget Advert

									Tabled Draft Annual budget for 24/25 by 28 March 2024, Adopted 23/24 Mid Term Adjustments budget by 28 February 2024 Q4 : Prepared the 1 final budget and adopted by Council by 17 May 2024				
Implement mSCOA budgeting and reporting	Financial Viability And Financial Management	1306	Budget Monitoring (Management Accounts)	Number of monthly management accounts produced	12	R0.00	12	12 X monthly Management Accounts Produced by 30 June 2024	12 X monthly Management Accounts were produced for the 2023/2024 financial year. The following activities were undertaken: Q1: Produced 3 Monthly Managem	**Achieved**	None	None	3 Management Accounts, proof of sending Management Accounts to Managers

									ent Accounts (June, July, & Aug) within 10 working days at the end of each month and submitted to Managers. Q2: Produced 3 Monthly Management Accounts (Sept, Oct & Nov) within 10 working days at the end of each month Q3: Produced 3 Monthly Management Accounts (Dec, Jan & Feb) within 10 working days at the end of each month and submitted to Managers. Q4: Prepared 3 Monthly Managem				

									ent Accounts (March, April & May) Produced within 10 working days at the end of each month and submitted to managers.				
Comply with National Treasury mSCOA regulation	Financial Viability And Financial Management	6.6.6.4/ 1307	Roll out of mSCOA modules on Financial System	% compliance with mSCOA	80% Compliant with mSCOA	R2,000,000.00	100	100% compliance with mSCOA by 30 June 2024	100% complied with mSCOA for the 2023/2024 . The following activities were undertaken: Q1: The budget is mSCOA compliant and the municipality is transacting on mSCOA 7 segments. Q2: The municipality is 100% compliant with mSCOA	**Achieved**	None	None	Seven segment extract reporting from the system (Munsoft)

									Q3: Transacting on 7 segments on the system, 100% compliance with mSCOA by 31 March 2024 Q4: The municipality is 100% compliance with mSCOA, transactions are done on 7 segments.				

IDMS Departmental Layer KPIs

Objectives	National KPA	IDP Reference Number/ KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
To build, maintain and provide access to improve, sustainable and modernized	Basic Service Delivery	1206	Electricity	12 electricity bills paid by June 2024	-	18000000	1120 electricity bills for the operation of pumps paid by 30 June 2024	1235	1235 electricity bills for the operation of pumps paid from July 2023 up to	Achieved	More bills were processed and paid in the financial year 2023/2024	None	Remittance of paid Eskom invoices

Objectives	National KPA	IDP Reference Number/ KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
infrastructure to the community by 2027									June 2024.				
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1207	Tools and Equipment (Apparatus)	Provide 2 x turbidity meters, 2 x PH meters, 2x chlorine meters, 2 x COD meters, 2 x Conductivity meters for 2 water treatment plants by 30 June 2024 in Alfred Nzo	2	975000	Delivery of procured laboratory equipment to 2 ANDM water-treatment plants (2 x turbidity meters, 2 x COD meters, 2xpH meters, 2x chlorine meters, 2xConductivity meters and 2 Calorimeters) by 30 June 2024	0	Delivery of procured laboratory equipment to 2 ANDM water-treatment plants (2 x turbidity meters, 2 x COD meters, 2xpH meters, 2x chlorine meters, 2xConductivity meters and 2 Clorimetres) by 30 June 2024 has NOT been achieved	**Not Achieved**	No supplier was found to supply and deliver the equipment that was requested despite the tender being advertised twice.	The plan would be to deviate from normal Supply Chain Management processes and procure the required equipment directly from the supplier as from the new financial year.	Report Delivery Note
To build, maintain and provide access to	Basic Service Delivery	1218	Water Tanks - supply and delivery	20 Water Tanks supplied and delivered	None	500000	20 Water Tanks supplied and delivered	20	20 Water Tanks supplied and delivered	**Achieved**	None	None	Signed specification , Official purchase

Objectives	National KPA	IDP Reference Number/ KPI ID	Project / Programme Name	KPI	Baseline	Project / Programme Budget	Annual Target	Annual Target Description	Actual Performance Description	Achievement	Variance Reason	Corrective Measures	Means of verification
improve, sustainable and modernized infrastructure to the community by 2027				in Ntabankulu, Umzimvubu, WMMLM and Matatiele LMs by 30 June 2024			in Ntabankulu, Umzimvubu, WMMLM and Matatiele LMs by 30 June 2024		in Ntabankulu, Umzimvubu, WMMLM and Matatiele LMs by 30 June 2024				order and delivery notes
To build, maintain and provide access to improve, sustainable and modernized infrastructure to the community by 2027	Basic Service Delivery	1219	Spring Protection program	Construction of spring protection to the following ANDM areas: Ntabankulu (Thaleni Ward6, Mbangweni Ward 11), Umzimvubu (Tela in Ward 3), Lower Brooksnek and Lokhwe) and WMMLM (Nyaniswe ni Ward30) by 30 June 2024	None	1000000	Construction of spring protection to the following ANDM areas: Ntabankulu (Thaleni Ward6, Mbangweni Ward 11), Umzimvubu (Tela in Ward 3), Lower Brooksnek and Lokhwe) and WMMLM (Nyaniswe ni Ward30) by 30 June 2024	5	Completed construction of spring protection in Ntabankulu (Thaleni ward 6, Mbangweni ward 11); Umzimvubu (Tela ward 3, Lower Broosnek and Lokhwe); and WMMLM (Nyaniswe ni ward 30) done during 2023/24.	**Achieved**	none	none	Work Instruction, Official purchase order and signed progress reports

APPENDIX L: SUMMARY OF FINANCIAL REPORTING FOR 2023/24

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the consolidated 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 consolidated annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the economic entity and place 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 economic entity and all employees are required to maintain the highest ethical standards in ensuring the economic entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the economic entity is on identifying, assessing, managing and monitoring all known forms of risk across the economic entity. While operating risk cannot be fully eliminated, the economic entity 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 consolidated 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 economic entity's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseable future.

The municipality is dependent on the municipality for continued funding of operations. The consolidated annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The external auditors are responsible for independently reviewing and reporting on the economic entity's consolidated annual financial statements.

The accounting officer would like to bring the following material matters to your attention:

The accounting officer would like to certify that the salaries, allowances and benefits of councillors as disclosed in note 29 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The consolidated annual financial statements set out on page 6 to 106, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2024 and were signed by:

Acting Accounting Officer
T. Mopeloa

AUDITOR GENERAL
SOUTH AFRICA
14 DEC 2024

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2024.

1. Review of activities

Main business and operations

Net surplus of the economic entity was R 542 604 441 (2023: surplus R 576 102 867)

2. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

On the 30th October 2024, the Municipal Council converged and took a resolution to dismiss the Municipal Manager, Mr ZH Sikhundla. As at 30 June 2024, the financial year end, the disciplinary proceedings were still ongoing

4. Corporate governance

General

Management is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, management supports the highest standards of corporate governance and the ongoing development of best practice.

5. Interest in controlled entities

The consolidated annual financial statements set out on pages 6 to 106, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2024 and were signed by:

Acting Accounting Officer
T. Mopeloa

Statement of Financial Position as at 30 June 2024

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2024	2023 Restated*	2024	2023 Restated*
Assets					
Current Assets					
Inventories	4	16 207 173	14 827 776	16 207 173	14 827 776
Receivables from non-exchange transactions	5	4 407 763	709 809	4 296 931	532 702
Receivables from Exchange transactions	6	69 210 169	62 310 797	69 210 169	62 310 797
Cash and cash equivalents	7	1 384 491 996	1 116 615 348	1 376 547 875	1 110 225 379
VAT Input Accrual	8	23 565 811	11 323 724	23 470 972	11 219 969
VAT Receivable	9	17 539 817	28 180 874	16 683 170	27 700 400
		1 515 422 729	**1 233 968 328**	**1 506 416 290**	**1 226 817 023**
Non-Current Assets					
Investment property	10	283 000	283 000	-	-
Property, plant and equipment	11	5 815 378 311	5 427 011 713	5 813 816 649	5 425 470 400
Intangible assets	12	4 679 741	8 043 238	4 420 380	7 650 544
Investments in controlled entities		-	-	100	100
Other non-current receivables from exchange transactions	13	7 971 013	7 879 073	7 971 013	7 879 073
Heritage assets	14	131 100	131 100	131 100	131 100
Investments	16	-	10 838 087	-	10 838 087
		5 828 443 165	**5 454 186 211**	**5 826 339 242**	**5 451 969 304**
Non-Current Assets		5 828 443 165	**5 454 186 211**	5 826 339 242	**5 451 969 304**
Current Assets		1 515 422 729	1 233 968 328	1 506 416 290	1 226 817 023
Total Assets		**7 343 865 894**	**6 688 154 539**	**7 332 755 532**	**6 678 786 327**
Liabilities					
Current Liabilities					
VAT output Accrual	8	17 284 827	13 472 638	17 284 827	13 472 638
Operating lease liability	17	209 989	226 024	209 989	226 024
Payables from exchange transactions	18	280 533 720	165 594 328	278 030 500	164 722 338
Employee benefit obligation	19	1 183 000	1 480 000	1 183 000	1 480 000
Unspent conditional grants and receipts	20	4 291 801	18 318 238	2 185 472	14 106 643
Provisions	21	41 366 484	33 871 942	40 676 553	32 960 191
Payables from non-exchange transactions	22	1 157 115	2 094 850	1 157 115	2 094 850
		346 026 936	**235 058 020**	**340 727 456**	**229 112 684**
Non-Current Liabilities					
Employee benefit obligation	19	13 093 000	10 955 000	13 093 000	10 955 000
Non-Current Liabilities		13 093 000	10 955 000	13 093 000	10 955 000
Current Liabilities		346 026 936	235 058 020	340 727 456	229 112 684
Total Liabilities		**359 119 936**	**246 013 020**	**353 820 456**	**240 067 684**
Assets		7 343 865 894	6 688 154 539	7 332 755 532	6 678 786 327
Liabilities		**(359 119 936)**	(246 013 020)	(353 820 456)	(240 067 684)
Net Assets		**6 984 745 958**	**6 442 141 519**	**6 978 935 078**	**6 438 718 643**
Accumulated surplus		**6 984 745 958**	6 442 141 519	6 978 935 078	**6 438 718 643**
Total Net Assets		**6 984 745 958**	**6 442 141 519**	**6 978 935 078**	**6 438 718 643**

* See Note 45

AUDITOR GENERAL
SOUTH AFRICA
14 DEC 2024

Statement of Financial Performance

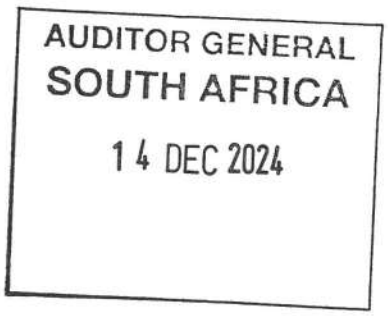
Figures in Rand	Note(s)	Economic entity 2024	Economic entity 2023 Restated*	Controlling entity 2024	Controlling entity 2023 Restated*
Revenue					
Revenue from exchange transactions					
Service charges	24	23 495 688	25 298 157	23 495 688	25 298 157
Rental of facilities and equipment	25	14 020	14 971	14 020	14 971
Agency services	26	232 944	221 196	232 944	221 196
Other income	27	2 685 840	9 020 174	2 648 312	8 985 261
Actuarial gains	19	235 574	1 373 754	235 574	1 373 754
Interest Income	28	132 274 896	83 640 910	131 613 793	83 345 961
Total revenue from exchange transactions		**158 938 962**	**119 569 162**	**158 240 331**	**119 239 300**
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	29	1 268 471 453	1 284 085 573	1 257 588 787	1 278 297 932
Public contributions and donations	30	1 396 610	-	1 396 610	-
Total revenue from non-exchange transactions		**1 269 868 063**	**1 284 085 573**	**1 258 985 397**	**1 278 297 932**
		158 938 962	119 569 162	158 240 331	119 239 300
		1 269 868 063	1 284 085 573	1 258 985 397	1 278 297 932
Total revenue	23	**1 428 807 025**	**1 403 654 735**	**1 417 225 728**	**1 397 537 232**
Expenditure					
Employee related costs	31	(321 636 820)	(300 131 145)	(312 693 848)	(289 974 805)
Remuneration of councillors	32	(11 811 323)	(12 140 030)	(11 811 323)	(12 140 030)
Legal Costs	33	(10 753 929)	(8 291 247)	(10 695 649)	(7 536 414)
Depreciation and amortisation	34	(120 568 551)	(105 252 397)	(120 190 809)	(104 888 091)
Impairment of PPE	11	(710 790)	83 176	(710 790)	-
Lease rentals on operating lease	35	(2 896 881)	(1 616 800)	(2 896 881)	(1 616 800)
Debt Impairment	36	(11 217 382)	(13 404 022)	(11 217 382)	(13 404 022)
Bulk purchases	37	(8 321 461)	(13 312 408)	(8 321 461)	(13 312 408)
Contracted services	38	(188 699 160)	(193 938 046)	(185 522 800)	(191 340 517)
Transfers and Subsidies	39	(1 346 166)	(14 889 673)	(21 302 688)	(40 976 629)
General Expenses	40	(206 776 703)	(163 549 143)	(190 182 243)	(154 169 771)
Total expenditure		**(884 739 166)**	**(826 441 735)**	**(875 545 874)**	**(829 359 487)**
Operating surplus/deficit		-	-	-	-
Surplus before taxation		544 067 859	577 213 000	541 679 854	568 177 745
Taxation		-	-	-	-
Surplus for the year from continuing operations		**544 067 859**	**577 213 000**	**541 679 854**	**568 177 745**
Loss on disposal of assets	11	(1 463 418)	(1 110 133)	(1 463 418)	(1 110 133)
Surplus for the year		**542 604 441**	**576 102 867**	**540 216 436**	**567 067 612**

AUDITOR GENERAL
SOUTH AFRICA
14 DEC 2024

* See Note 45

Statement of Changes in Net Assets for the Period Ended 30 June 2024

Figures in Rand	Accumulated surplus / deficit	Total net assets
Economic entity		
Balance at 01 July 2022	**5 866 090 023**	**5 866 090 023**
Changes in net assets		
Surplus for the year	576 102 867	576 102 867
Total changes	576 102 867	576 102 867
Restated* Balance at 01 July 2023	**6 442 141 511**	**6 442 141 511**
Changes in net assets		
Surplus for the year	542 604 441	542 604 441
Total changes	542 604 441	542 604 441
Balance at 30 June 2024	**6 984 745 960**	**6 984 745 960**
Controlling entity		
Balance at 01 July 2022	**5 871 702 405**	**5 871 702 405**
Changes in net assets		
Surplus for the year	567 067 612	567 067 612
Prior period adjustments	(51 375)	(51 375)
Total changes	567 016 237	567 016 237
Restated* Balance at 01 July 2023	**6 438 718 642**	**6 438 718 642**
Changes in net assets		
Surplus for the year	540 216 436	540 216 436
Total changes	540 216 436	540 216 436
Balance at 30 June 2024	**6 978 935 078**	**6 978 935 078**



* See Note 45

Cash Flow Statement

Figures in Rand	Note(s)	Economic entity 2024	Economic entity 2023 Restated*	Controlling entity 2024	Controlling entity 2023 Restated*
Cash flows from operating activities					
Receipts					
Service charges		24 013 500	13 133 372	23 975 972	13 133 372
Government Grants and Subsidies		1 257 180 819	1 310 901 485	1 245 667 616	1 292 404 575
Interest income		112 740 123	69 227 766	112 079 020	68 935 817
Other Receipts		2 895 276	9 342 591	2 895 276	9 221 427
		1 396 829 718	1 422 561 736	1 384 617 884	1 383 695 191
Payments					
Employee costs		(325 814 808)	(306 343 126)	(316 625 908)	(293 647 818)
Suppliers		(303 580 235)	(437 645 774)	(285 028 443)	(423 276 001)
Other payments		(2 608 696)	(6 287 518)	-	-
Grants and subsidies		(1 346 166)	(21 020 107)	(21 302 688)	(40 976 629)
		(633 349 905)	(771 296 525)	(622 957 039)	(757 900 448)
Total receipts		1 396 829 718	1 422 561 736	1 384 617 884	1 383 695 191
Total payments		(633 349 905)	(771 296 525)	(622 957 039)	(757 900 448)
Net cash flows from operating activities	41	**763 479 813**	**631 308 689**	**761 661 385**	**625 811 679**
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(506 349 417)	(475 130 341)	(506 084 601)	(475 043 702)
Proceeds from sale of property, plant and equipment	11	105	(325 667)	105	(325 667)
Purchase of other intangible assets	12	-	(7 583 212)	-	(7 183 212)
Increase in deposits	12	(91 940)	-	(91 940)	-
Staff loan repayments	14	-	11 001	-	11 001
Decrease in long term investments		10 838 087	-	10 838 087	-
Net cash flows from investing activities		**(495 603 165)**	**(483 028 219)**	**(495 338 349)**	**(482 541 580)**
Net increase/(decrease) in cash and cash equivalents		**267 876 648**	**148 280 470**	**266 322 496**	**143 253 163**
Cash and cash equivalents at the beginning of the year		1 116 615 348	968 334 878	1 110 225 379	966 972 216
Cash and cash equivalents at the end of the year	7	**1 384 491 996**	**1 116 615 348**	**1 376 547 875**	**1 110 225 379**

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* See Note 45

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	50 871 514	4 278 731	**55 150 245**	23 495 688	**(31 654 557)**	
Rental of facilities and equipment	-	10 000	**10 000**	14 020	**4 020**	
Agency services	317 141	-	**317 141**	232 944	**(84 197)**	
Other income - (rollup)	160 903 218	6 217 594	**167 120 812**	2 685 840	**(164 434 972)**	
Other income 3	(80 000)	30 000	**(50 000)**	235 574	**285 574**	
Interest received - investment	58 926 832	44 000 000	**102 926 832**	132 274 896	**29 348 064**	
Total revenue from exchange transactions	**270 938 705**	**54 536 325**	**325 475 030**	**158 938 962**	**(166 536 068)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	1 379 013 000	(116 575 038)	**1 262 437 962**	1 288 427 975	**25 990 013**	
Public contributions and donations	-	-	**-**	1 396 610	**1 396 610**	
Total revenue from non-exchange transactions	**1 379 013 000**	**(116 575 038)**	**1 262 437 962**	**1 289 824 585**	**27 386 623**	
'Total revenue from exchange transactions'	270 938 705	54 536 325	**325 475 030**	158 938 962	**(166 536 068)**	
'Total revenue from non-exchange transactions'	1 379 013 000	(116 575 038)	**1 262 437 962**	1 289 824 585	**27 386 623**	
Total revenue	**1 649 951 705**	**(62 038 713)**	**1 587 912 992**	**1 448 763 547**	**(139 149 445)**	
Expenditure						
Personnel	(337 463 343)	(3 841 260)	**(341 304 603)**	(321 636 820)	**19 667 783**	
Remuneration of councillors	(14 901 022)	-	**(14 901 022)**	(11 811 323)	**3 089 699**	
Administration	(3 100 000)	(8 400 000)	**(11 500 000)**	(10 753 929)	**746 071**	
Depreciation and amortisation	(110 000 001)	3	**(109 999 998)**	(120 568 551)	**(10 568 553)**	
Impairment loss/ Reversal of impairments	-	-	**-**	(710 790)	**(710 790)**	
Lease rentals on operating lease	(2 430 000)	(1 194 980)	**(3 624 980)**	(2 896 881)	**728 099**	
Debt Impairment	(25 000 000)	4 500 000	**(20 500 000)**	(11 217 382)	**9 282 618**	
Bulk purchases	(10 000 000)	-	**(10 000 000)**	(8 320 919)	**1 679 081**	
Contracted Services	(190 414 332)	(41 696 143)	**(232 110 475)**	(188 699 160)	**43 411 315**	
Transfers and Subsidies	(23 900 000)	(495 000)	**(24 395 000)**	(21 302 688)	**3 092 312**	
General Expenses	(196 155 418)	(18 326 109)	**(214 481 527)**	(206 776 703)	**7 704 824**	
Total expenditure	**(913 364 116)**	**(69 453 489)**	**(982 817 605)**	**(904 695 146)**	**78 122 459**	
	736 587 589	(131 492 202)	**605 095 387**	544 068 401	**(61 026 986)**	
Surplus before taxation	**736 587 589**	**(131 492 202)**	**605 095 387**	**544 068 401**	**(61 026 986)**	
Deficit before taxation	736 587 589	(131 492 202)	**605 095 387**	544 068 401	**(61 026 986)**	
Taxation	-	-	**-**	-	**-**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Surplus for the year from continuing operations	**736 587 589**	**(131 492 202)**	**605 095 387**	**544 068 401**	**(61 026 986)**	
Loss on disposal	-	-	-	(1 463 418)	**(1 463 418)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**736 587 589**	**(131 492 202)**	**605 095 387**	**542 604 983**	**(62 490 404)**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	19 665 367	(749 648)	**18 915 719**	16 207 173	**(2 708 546)**	
Receivables from exchange transactions	-	-	**-**	69 210 169	**(90 480)**	
Receivables from non-exchange transactions	18 989 338	-	**18 989 338**	4 407 763	**(14 581 575)**	
VAT receivable	98 339 083	(1 003 579)	**97 335 504**	40 154 142	**(33 586 566)**	
Consumer debtors	46 115 873	5 721 575	**51 837 448**	69 210 169	**17 372 721**	
Cash and cash equivalents	1 117 059 805	(24 908 762)	**1 092 151 043**	1 384 491 996	**292 340 953**	
	1 300 169 466	**(20 940 414)**	**1 279 229 052**	**1 515 422 729**	**235 151 711**	
Non-Current Assets						
Investment property	-	-	**-**	283 000	**283 000**	
Property, plant and equipment	5 713 244 851	(136 055 020)	**5 577 189 831**	5 815 378 311	**238 188 480**	
Intangible assets	1 970 456	(2 434 520)	**(464 064)**	4 679 864	**5 143 928**	
Heritage assets	131 100	-	**131 100**	131 100	**-**	
Investments in controlled entities	100	-	**100**	100	**-**	
Other financial assets	10 134 587	-	**10 134 587**	-	**(10 134 587)**	
Prepayments	-	-	**-**	7 971 013	**7 971 013**	
	5 725 481 094	**(138 489 540)**	**5 586 991 554**	**5 828 443 388**	**241 451 834**	
Non-Current Assets	1 300 169 466	(20 940 414)	**1 279 229 052**	1 515 422 729	**258 746 507**	
Current Assets	5 725 481 094	(138 489 540)	**5 586 991 554**	5 828 442 729	**241 451 834**	
Non-current assets held for sale (and) (assets of disposal groups)	-	-	**-**	-	**-**	
Total Assets	**7 025 650 560**	**(159 429 954)**	**6 866 220 606**	**7 343 865 894**	**500 198 341**	
Liabilities						
Current Liabilities						
Operating lease liability	223 529	-	**223 529**	209 989	**(13 540)**	
Payables from exchange transactions	251 060 587	(19 773 124)	**231 287 463**	280 533 720	**49 252 751**	
VAT payable	48 950 371	-	**48 950 371**	17 284 827	**(9 028 730)**	
Employee benefit obligation	2 002 000	5 000	**2 007 000**	1 183 000	**(824 000)**	
Unspent conditional grants and receipts	589 070	-	**589 070**	4 291 801	**3 702 731**	
Provisions	20 647 968	(200 000)	**20 447 968**	41 366 484	**20 918 516**	
Other liability 1	7 012 414	-	**7 012 414**	1 157 115	**(5 855 299)**	
	330 485 939	**(19 968 124)**	**310 517 815**	**346 026 936**	**58 152 429**	
Non-Current Liabilities						
Employee benefit obligation	10 080 000	-	**10 080 000**	13 093 000	**3 013 000**	
	330 485 939	(19 968 124)	**310 517 815**	346 026 936	**58 152 429**	
	10 080 000	-	**10 080 000**	13 093 000	**3 013 000**	
	-	-	**-**	-	**-**	
Total Liabilities	**340 565 939**	**(19 968 124)**	**320 597 815**	**359 119 936**	**61 165 429**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Assets	7 025 650 560	(159 429 954)	**6 866 220 606**	**7 343 865 894**	**500 198 341**	
Liabilities	(340 565 939)	19 968 124	**(320 597 815)**	(359 119 936)	**(61 165 429)**	
Net Assets	**6 685 084 621**	**(139 461 830)**	**6 545 622 791**	**6 984 745 958**	**439 032 912**	
capital						
Reserves						
Accumulated surplus	6 678 859 344	(141 713 586)	**6 537 145 758**	**6 984 745 958**	**447 600 321**	
Total Net Assets	**6 678 859 344**	**(141 713 586)**	**6 537 145 758**	**6 984 745 958**	**447 600 421**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	50 854 554	3 952 228	**54 806 782**	23 495 688	**(31 311 094)**	A
Rental of facilities and equipment	-	10 000	**10 000**	14 020	**4 020**	B
Agency services	-	317 141	**317 141**	232 944	**(84 197)**	C
Other income - (Reserves)	161 237 319	5 956 956	**167 194 275**	2 685 840	**(164 508 435)**	D
Other income - Acturial gains	-	-	**-**	235 574	**235 574**	E
Interest received on investments	58 926 832	44 000 000	**102 926 832**	132 274 896	**29 348 064**	F
Total revenue from exchange 705transactions	**271 018**	**54 236 325**	**325 255 030**	**158 938 962**	**(166 316 068)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	1 379 013 000	(116 575 038)	**1 262 437 962**	1 288 427 975	**25 990 013**	G
Public contributions and donations	-	-	**-**	1 396 610	**1 396 610**	H
Total revenue from non-exchange transactions	**1 379 013 000**	**(116 575 038)**	**1 262 437 962**	**1 289 824 585**	**27 386 623**	
'Total revenue from exchange transactions'	271 018 705	54 236 325	**325 255 030**	158 938 962	**(166 316 068)**	
'Total revenue from non-exchange transactions'	1 379 013 000	(116 575 038)	**1 262 437 962**	1 289 824 585	**27 386 623**	
Total revenue	**1 650 031 705**	**(62 338 713)**	**1 587 692 992**	**1 448 763 547**	**(138 929 445)**	
Expenditure						
Personnel	(335 712 905)	(3 974 164)	**(339 687 069)**	(321 636 820)	**18 050 249**	I
Remuneration of councillors	(15 094 629)	-	**(15 094 629)**	(11 811 323)	**3 283 306**	J
Legal Costs	(3 150 000)	(12 000 000)	**(15 150 000)**	(10 753 929)	**4 396 071**	K
Depreciation and amortisation	(110 000 000)	(10 500 000)	**(120 500 000)**	(120 568 551)	**(68 551)**	L
Impairment of PPE	-	-	**-**	(710 790)	**(710 790)**	M
Lease rentals on operating lease	(4 310 000)	-	**(4 310 000)**	(2 896 881)	**1 413 119**	N
Debt Impairment	(25 000 000)	10 500 000	**(14 500 000)**	(11 217 382)	**3 282 618**	O
Bulk purchases	(10 000 000)	-	**(10 000 000)**	(8 320 919)	**1 679 081**	P
Contracted Services	(206 559 156)	(43 140 534)	**(249 699 690)**	(188 699 160)	**61 000 530**	Q
Transfers and Subsidies	(23 900 000)	(400 000)	**(24 300 000)**	(21 302 688)	**2 997 312**	R
General Expenses	(180 126 032)	(14 457 207)	**(194 583 239)**	(206 776 703)	**(12 193 464)**	S
Total expenditure	**(913 852 722)**	**(73 971 905)**	**(987 824 627)**	**(904 695 146)**	**83 129 481**	
	736 178 983	(136 310 618)	**599 868 365**	544 068 401	**(55 799 964)**	
	-	-	**-**	-	**-**	
Surplus before taxation	**736 178 983**	**(136 310 618)**	**599 868 365**	**544 068 401**	**(55 799 964)**	
Deficit before taxation	736 178 983	(136 310 618)	**599 868 365**	544 068 401	**(55 799 964)**	
Taxation	-	-	**-**	-	**-**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Surplus for the year from continuing operations	**736 178 983**	**(136 310 618)**	**599 868 365**	**544 068 401**	**(55 799 964)**	
Loss on disposal of assets	-	-	-	(1 463 418)	**(1 463 418)**	S
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**736 178 983**	**(136 310 618)**	**599 868 365**	**542 604 983**	**(57 263 382)**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

BUDGET COMMENTS

A - Service charges

Service charges were over budgeted for in the current financial year. The municipality is continuously installing meters but because of the budget constraints, this process is slow and not yielding results as expected.

B - Rental of facilities and equipment:

The municipality's conference centre was hired less than what was anticipated.

C - Agency Services:

The municipality received commission from third-party payments. The actual revenue from these commissions is less than what was anticipated.

D - Reserves:

These are contributions from reserves to fund the budget. They are meant to fund non-cash expenditure such as depreciation. The funds have been transferred into an asset replacement reserve, ring fencing them from accumulated surplus. The corresponding expenditure is for sale of tender documents and other revenue sources.

E - Other Income:

One of the major contributors to other income is the sale of tender documents which did not go as anticipated. Most of the activity is usually done in the last months of the financial year when the procurement plan for the next financial year is being implemented.

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F - Actuarial gain

The actuarial gain was not budgeted for.

G - Interest received on investments:

Interest received is more than what was budgeted for due to the hikes of interest rates by the South African Reserve bank and the continuous implementation of the investment policy.

H - Government grants and subsidies:

The government grants are within the budgeted figures except for the Regional Bulk Infrastructure Grant which is a Schedule 6B grant. The amounts paid on RBIG were only for retentions on old projects. There are no bulk infrastructure projects that were implemented by the Municipality directly in the reported financial year.

I - Public contributions or donations

During the period under review, the municipality received a donation from DBSA, a water tanker truck which was not planned for and was not budgeted for.

EXPENDITURE:

J - Employee-related costs:

The budgeted amount was based on an estimated increase of 6% but the Bargaining Council approved a 5.4% increase for all employees except for Directors. The increment for Directors was 3%. There were also vacant posts especially at management level that were either filled towards the end of the financial year and some still remain unfilled.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

K - Remuneration of Councillors:

During the year under review, there was no promulgated upper limits for the Councillors hence the variance and the budget was based on an estimated annual increase of 6%.

L - Legal costs:

The litigation costs are within the budgeted figure. In terms of the budget, legal costs are budgeted under contracted services and separated on Annual Financial Statements to comply with GRAP.

M - Depreciation and amortisation:

The depreciation is a non-cash item is it is within the budgeted amount.

N - Impairment on PPE

Impairment was not budgeted for O -

Lease rentals on operating lease:

This is due to the fact that most of the time the printers were not functioning well. Lease rentals on operating lease is budgeted under Other expenses in terms of the budget and separated on Annual Financial Statements in compliance with GRAP.

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P - Debt impairment:

The contribution to debt impairment was les than anticipated due to the incentives that were approved by the Council.

Q - Bulk purchases:

The budgeted amount was due to an estimated increase in the water resource levies that were going to be added in the period but the charges for these were less than what was anticipated.

R - Contracted services:

Included in the amount of contracted services are repairs and maintenance costs. The variance is due to pit toilets expenditure which was less than anticipated. These were previously budgeted for under WSIG, however the project implementation plan was revised later to accommodate changed priorities by the Department

S - Transfers and subsidies:

The transfers and subsidies are within the budgeted funds.

T - General expenses:

General expenses are within the budgeted amount.

U - Loss on disposal of Assets:

The loss on disposal of assets was not budgeted for as it not anticipated. The disposal was due to damaged assets as well as redundant assets.

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	19 665 367	36 900	**19 702 267**	16 207 173	**(3 495 094)**	
Receivables from non-exchange transactions	18 989 338	-	**18 989 338**	4 296 931	**(14 581 575)**	
VAT receivable	98 339 083	(1 003 579)	**97 335 504**	40 154 142	**(76 936 003)**	
Receivables from Exchange transactions	50 562 521	5 470 945	**56 033 466**	69 210 169	**12 516 474**	
Cash and cash equivalents	1 117 059 805	(26 808 370)	**1 090 251 435**	1 376 547 875	**294 240 561**	
	1 304 616 114	**(22 304 104)**	**1 282 312 010**	**1 506 416 290**	**211 744 363**	
Non-Current Assets						
Property, plant and equipment	5 694 287 374	(132 065 500)	**5 562 221 874**	5 813 816 651	**253 156 437**	
Intangible assets	1 970 456	(1 468 909)	**501 547**	4 420 380	**4 178 317**	
Heritage assets	131 100	-	**131 100**	131 100	-	
Investments in controlled entities	100	-	**100**	100	-	
Other Receivables	-	-	**-**	7 971 013	**7 971 013**	
Investments	10 134 587	-	**10 134 587**	-	**(10 134 587)**	
	5 706 523 617	**(133 534 409)**	**5 572 989 208**	**5 826 339 244**	**255 454 180**	
Non-Current Assets	5 706 523 617	(133 534 409)	**5 572 989 208**	**5 826 339 244**	**255 454 180**	
Current Assets	1 304 616 114	(22 304 104)	1 282 312 010	1 506 416 290	**211 744 363**	
Total Assets	**7 011 139 731**	**(155 838 513)**	**6 855 301 218**	**7 332 755 534**	**467 198 543**	
Liabilities						
Current Liabilities						
Operating lease liability	-	-	**-**	209 989	**209 989**	
Payables from exchange transactions	252 808 578	(19 716 762)	**233 091 816**	278 030 500	**47 448 398**	
Taxes and transfers payable (non-exchange)	-	-	**-**	1 183 000	**1 157 115**	
VAT payable	56 578 554	588 867	**57 167 421**	17 284 827	**(57 167 421)**	
Employee benefit obligation	2 002 000	(2 002 000)	**-**	1 183 000	**1 183 000**	
Unspent conditional grants and receipts	589 070	(400 000)	**189 070**	2 185 472	**4 102 731**	
Provisions	26 513 487	2 002 000	**28 515 487**	40 66 553	**12 850 997**	
	338 491 689	**(19 527 895)**	**318 963 794**	**340 727 456**	**9 784 809**	
Non-Current Liabilities						
Other financial liabilities	223 529	-	**223 529**	-	**(223 529)**	
Employee benefit obligation	10 080 000	-	**10 080 000**	13 093 000	**3 013 000**	
	10 303 529	**-**	**10 303 529**	**13 093 000**	**2 789 471**	
Current Liabilities	338 491 689	(19 527 895)	**318 963 794**	328 727 456	**9 784 809**	
Non-Current Liabilities	10 303 529	-	**10 303 529**	13 093 000	**2 789 471**	
	-	-	**-**	-	**-**	
Total Liabilities	**348 795 218**	**(19 527 895)**	**329 267 323**	**353 820 456**	**12 574 280**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Assets	7 011 139 731	(155 838 513)	**6 855 301 218**	7 332 755 534	**467 198 543**	
Liabilities	(348 795 218)	19 527 895	**(329 267 323)**	(353 820 456)	**(12 574 280)**	
Net Assets	**6 662 344 513**	**(136 310 618)**	**6 526 033 895**	**6 978 935 078**	**454 624 263**	
Net Assets Attributable to Owners of Controlling Entity						
Share capital / contributed capital	-	-	-	100	**100**	
Reserves						
Accumulated surplus	6 662 344 513	(136 310 618)	**6 526 033 895**	**6 978 935 078**	**452 901 725**	
Total Net Assets	**6 662 344 513**	**(136 310 618)**	**6 526 033 895**	**6 978 935 178**	**452 901 825**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Service Charges	55 533 855	3 559 650	**59 093 505**	24 013 500	**(37 656 617)**	
Other revenue	303 448 622	(3 929 129)	**299 519 493**	2 895276	**(297 192 380)**	
Transfers and Subsidies - Operational	775 128 150	(470 838)	**774 657 312**	738 347 406	**(36 309 906)**	
Transfers and Subsidies - Capital	603 884 850	(116 104 200)	**487 780 650**	507 320 211	**19 539 561**	
Interest income	58 926 832	44 000 000	**102 926 832**	112 740 123	**8 448 688**	
	1 796 922 309	**(72 944 517)**	**1 723 977 792**	**1 396 829 718**	**(343 170 654)**	
Payments						
Suppliers and employees costs	(819 610 220)	(75 186 723)	**(894 796 943)**	(632 003 739)	**189 538 495**	
Grants and subsidies	-	(24 300 000)	**(24 300 000)**	(1 346 166)	**2 997 312**	
	(819 610 220)	**(99 486 723)**	**(919 096 943)**	**(633 349 905)**	**192 535 807**	
Total receipts	1 796 922 309	(72 944 517)	**1 723 977 792**	1 396 829 718	**(343 170 654)**	
Total payments	(819 610 220)	(99 486 723)	**(919 096 943)**	(633 349 905)	**192 535 807**	
Net cash flows from operating activities	**977 312 089**	**(172 431 240)**	**804 880 849**	**763 479 813**	**(150 634 847)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(833 346 358)	145 622 870	**(687 723 488)**	(495 338 349)	**198 424 327**	
Net increase/(decrease) in cash and cash equivalents	143 965 731	(26 808 370)	**117 157 361**	266 322 496	**(149 165 135)**	
Cash and cash equivalents at the beginning of the year	966 839 445	-	**966 839 445**	1 110 225 379	**143 385 934**	
Cash and cash equivalents at the end of the year	**1 110 805 176**	**(26 808 370)**	**1 083 996 806**	**1 384 491 996**	**(300 495 190)**	

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		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2024	2023	2024	2023

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below.

1.1 Basis of preparations

The consolidated annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period, except for the changes set out in note 51 Changes in accounting policy.

1.2 Presentation currency

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

1.3 Going concern assumption

These consolidated annual financial statements have been prepared based on the expectation that the economic entity will continue to operate as a going concern for at least the next 12 months.

1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated 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 consolidated annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the economic entity measures and impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the economic entity 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 economic entity 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 are 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.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the economic entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

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1.6 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature OR type of properties classified as held for strategic purposes are as follows:

The economic entity separately discloses expenditure to repair and maintain investment property in the notes to the consolidated annual financial statements (see note).

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the consolidated annual financial statements (see note).

1.7 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 economic entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any 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.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Accounting Policies

1.7 Property, plant and equipment (continued)

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

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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Unlimited
Buildings	Straight-line	10 - 40
Plant and machinery	Straight-line	2 - 20
Furniture and fixtures	Straight-line	2 - 20
Motor vehicles	Straight-line	4 - 10
Office equipment	Straight-line	2 - 20
Specialised vehicles	Straight-line	5 - 15
Infrastructure - Roads	Straight-line	5 - 15
Infrastructure - Sanitation	Straight-line	2 - 85
Infrastructure - Water	Straight-line	2 - 100
Bins and containers	Straight-line	5 - 10
Computer equipment	Straight-line	2 - 10
Emergency equipment	Straight-line	2 - 15
Park homes	Straight-line	20 - 40

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The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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.

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1.7 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the economic entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The economic entity assesses at each reporting date whether there is any indication that the economic entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the economic entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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.

Assets which the economic entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales ofthese assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The economic entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements under note 37.

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements under note 9.

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. 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, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the economic entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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 economic entity; and
- the cost or fair value of the asset can be measured reliably.

The economic entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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1.8 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	2 - 5

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 Heritage assets

Assets are resources controlled by an economic entity as a result of past events and from which future economic benefits or service potential are expected to flow to the economic entity.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an economic entity's operations that is shown as a single item for the purpose of disclosure in the consolidated annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

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.

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Accounting Policies

1.9 Heritage assets (continued)

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an economic entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The economic entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 37).

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 12).

Recognition

The economic entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

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Impairment

The economic entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

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1.9 Heritage assets (continued)

Derecognition

The economic entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.10 Separate financial statements

Consolidated financial statements are the financial statements of the economic entity in which the assets, liabilities, net assets, revenue, expenses and cash flows of the entity as a controlling entity, and its controlled entities, are presented as those of a single economic entity.

The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's surplus or deficit includes its share of the investee's surplus or deficit and the investor's net assets includes its share of changes in the investee's net assets that have not been recognised in the investee's surplus or deficit.

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services, that has the purpose of investing funds solely for returns from capital appreciation, investment revenue, and which measures and evaluates the performance of substantially all of its investments on a fair value basis.

Separate financial statements are those presented by the entity, in which the entity could elect to account for its investments in controlled entities, joint ventures and associates either at cost, in accordance with the GRAP Standard on Financial Instruments or using the equity method as described in the accounting policies on Investments in Associates and Joint Ventures.

In the entity's separate financial statements, investments in controlled entities, associates and joint ventures are carried at cost;

In the entity's separate financial statements, investments in controlled entities are carried at cost;

In the entity's separate financial statements, investments in associates are carried at cost;

In the entity's separate financial statements, investments in joint ventures are carried at cost.

Separate financial statements are prepared in accordance with all applicable accounting policies, except:

- Similar investments in controlled entities are accounted for at cost;
- Joint ventures are accounted for at cost;
- Associates are accounted for at cost.

The entity as a controlling entity, which is not itself an investment entity, measures its investment in a controlled investment entity in accordance with the above, in its separate financial statements.

When the entity as controlling entity ceases to be an investment entity, or becomes an investment entity, it accounts for the change from the date when the change in status occurred, as follows:

- When the entity ceases to be an investment entity, the entity accounts for an investment in a controlled entity in accordance with the above. The date of the change of status is the deemed acquisition date. The fair value of the controlled entity at the deemed acquisition date represents the transferred deemed consideration when accounting for the investment as above.
- When the entity becomes an investment entity, it accounts for an investment in a controlled entity at fair value. The difference between the previous carrying amount of the controlled entity and its fair value at the date of the change of status is recognised as a gain or loss in surplus or deficit. The cumulative amount of any gain or loss previously recognised directly in net assets in respect of those controlled entities is treated as if the investment entity had disposed of those controlled entities at the date of change in status.

When the entity elects to measure its investments in associates or joint ventures at fair value, it also accounts for those investments in the same way in its separate financial statements.

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1.10 Separate financial statements (continued)

Where the entity as controllong entity is required to measure its investment in a controlled entity at fair value, it also accounts for that investment in the same way in its separate financial statements.

Dividends or similar distributions from a controlled entity, a joint venture or an associate are recognised in the separate financial statements of the entity when the entity's right to receive the dividend or similar distribution is established. Thedividend or similar distribution is recognised in surplus or deficit unless the entity elects to use the equity method, in which case the dividend or similar distribution is recognised as a reduction from the carrying amount of the investment.

When a controlling entity reorganises the structure of its economic entity by establishing a new entity as its controlling entity in a manner that satisfies the following criteria:

- The new controlling entity obtains control of the original controlling entity either (a) by issuing equity instruments in exchange for existing equity instruments of the original controlling entity or (b) by some other mechanism which results in the new controlling entity having a controlling ownership interest in the original controlling entity;
- The assets and liabilities of the new economic entity and the original economic entity are the same immediately before and after the reorganisation; and
- The owners of the original controlling entity before the reorganisation have the same absolute and relative interests in the net assets of the original economic entity and the new economic entity immediately before and after the reorganisation;

and the new controlling entity accounts for its investment in the original controlling entity at cost in its separate financial statements, the new controlling entity measures cost at the carrying amount of its share of the net asset items shown in the separate financial statements of the original controlling entity at the date of the reorganisation

1.11 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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from the Municipalitys statement of financial position.

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The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

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1.11 Financial instruments (continued)

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 guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

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1.11 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Unlisted Investments	Financial asset measured at amortised cost
Investments in Fixed Deposits	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost
Receivables from Exchange Transactions	Financial asset measured at amortised cost
Cash and cash equivalents - Call Deposit	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long Term Liabilities	Financial liability measured at amortised cost
Accounts Payables	Financial liability measured at amortised cost

Initial Recognition

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

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability 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 entity measures a financial asset and financial liability initially at its fair value (if subsequently measured at fair value). The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately.

The entity 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-exchangeTransactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of the financial assets and financial liabilities

The entity 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, are subject to an impairment review.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is
> combined instrument that is required to be measured at fair value ;or
> an investment in a residual interest that meets the requirements for reclassification.

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1.11 Financial instruments (continued)

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value. If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost. If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and Losses

A gain or loss arising from a change in the fair value of a financial asset of 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 unrecognised or impaired or through the amortisation process.

Impairment and uncollectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of 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 assets carrying amount and the present value of the estimated future cashflows (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 directly OR 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 anevent occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR 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 costs

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 the 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 entity derecognises financial assets using trade date accounting
The entity derecognises financial asset only when:

> the contractual rights to the cash flows from the fianancial asset expire, are settled or waived;
> the entity transfers to another party substantially all the risks and rewrads of ownership of the financial asset; or
> the entity, despite having retained some significant risks and rewards of ownership of the financial asset , has transfered control of the asset to another party and the other party has practical ability to sell the asset in its enterety to an un related party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :

- Derecognise the asset; and
- recognise separately any rights and obligations created 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 fair values at that date. Any difference between the consideration received and the amounts recognised in the surplus or deficit in the period of the transfer.

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1.11 Financial instruments (continued)

If the entity transfers a financial asset in a transfer in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset. If, as a result of a transfer, a financial asset is derecognised in its entirety but transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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. If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownershipof the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue , and the associated expenses are offset.

Financial Liabilities

The entity 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. A 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) extinguishing 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 Transaction (Taxes and Transfers)

Presentation

Interest relating to a financial instrument or component that is a financial liability is derecognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets . Income tax (where applicable) relating to distributions to holders of residual interests and to transaction costs incurred on a residual interests are accounted for in accordance with the International Accounting Standards on Income Taxes.

A financial asset and a financial liability are only offset and net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.12 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 entity assesses the classification of each element separately.

Accounting Policies

1.12 Leases (continued)

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.

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

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.

1.13 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 economic entity 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 economic entity.

When inventories are sold, 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.

Water Inventory

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1.13 Inventories (continued)

Water is regarded as inventory when the Municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the Municipality has incurred purification costs on water obtained from natural resources (rain, rivers, dams, etc). However, water in natural resources, that are filled by rain and that has not yet been treated, and is not under the control of the Municipality and cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the statement of financial Position. Water that is found in its natural state, such as in rivers, dams, streams, lakes, boreholes, and the sea meets the definition of a non-living resource. From time to time an entity may intervene as part of its mandate or service delivery objective. For example an entity may undertake measures to ensure that the quality of the water in rivers and dams is maintained. This will not result in a change in the water's natural state, and the definition of a non-living resource is therfore still met. The Municipality does not have non-living resources and GRAP 110 is not applicable to it.

The basis of determining the cost of water purchased and not yet sold at the statement of Financial position date comprises all costs of purchases, cost of conversion, and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

1.14 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Designation

At initial recognition, the economic entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an economic entity's objective of using the asset.

The economic entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash- generating asset or non-cash-generating asset based on whether the economic entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the economic entity designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash- generating assets, rather than this accounting policy.

Identification

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

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

Irrespective of whether there is any indication of impairment, the economic entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually bycomparing its carrying amount with its recoverable 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 a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the economic entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the economic entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is givento external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing theasset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

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1.14 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the economic entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

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

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the 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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1.14 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the economic entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non- cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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1.14 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable 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 cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Accounting Policies

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

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

Useful life is either:
- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash- generating assets, are as follows:

Designation

At initial recognition, the economic entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an economic entity's objective of using the asset.

The economic entity designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The economic entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash- generating asset or non-cash-generating asset based on whether the economic entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the economic entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

The economic entity 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 economic entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests 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:

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

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.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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 economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

Reversal of an impairment loss

The economic entity 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 economic entity 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.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Accounting Policies

1.16 Employee benefits (continued)

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- 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 entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Post-employment benefits

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

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

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

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1.16 Employee benefits (continued)

Multi-employer plans and/or State plans and/or Composite social security programmes

The entity classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the entity account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity account for the plan as if it was a defined contribution plan.

Insured benefits

Where the entity pays insurance premiums to fund a post-employment benefit plan, the entity treats such a plan as a defined contribution plan unless the entity will have (either directly or indirectly through the plan) a legal or constructive obligation to either:

- pay the employee benefits directly when they fall due; or
- pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior reporting periods.

If the entity retains such a legal or constructive obligation, the entity treats the plan as a defined benefit plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the entity recognises 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 contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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1.16 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 entity recognises 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 entity) that are held by an entity (a fund) that is legally separate from the reporting entity 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 entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity 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 entity recognises 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 entity 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 entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity'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 entity measures 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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Accounting Policies

1.16 Employee benefits (continued)

The entity determines 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 consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

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

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

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

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable,past service cost, an entity 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 entity 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 entity 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).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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Accounting Policies

1.16 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

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 entity shall recognise 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.

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1.16 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.17 Provisions and Contingencies

Provisions are recognised when:

- the economic entity 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 economic entity 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 surplus (deficit).

If an entity 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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1.17 Provisions and Contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the economic entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 44.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The economic entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the economic entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the economic entity considers that an outflow of economic resources is probable, an economic entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.18 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

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1.19 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 and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

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

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity 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 economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- 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 economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity 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.

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

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.

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1.20 Revenue from non-exchange transactions

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.

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.

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.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

VAT is a value-added tax that is charged at the applicable rate on the supply of goods or services supplied by the vendor in the course or furtherance of an enterprise. The Municipality collects VAT on behalf of the South African Revenue Services (SARS) based on the taxable supplies it provides in meeting its service delivery objectives. The Municipality is a VAT vendor registered on the payment basis although the accrual basis of accounting is applied by the Municipality in accordance with the principles of GRAP.

The amount payable to or receivable from SARS is calculated as the VAT charged by the Municipality on taxable supplies (output VAT), reduced by the VAT input the Municipality is charged by service providers on expenditure incurred in the furtherance of the Municipality's service delivery mandate.

VAT receivables and payables are measured in accordance with the accounting policy on statutory receivables and payables.

1.21 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and

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Accounting Policies

1.21 Unauthorised expenditure (continued)

- 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.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.22 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 financialperformance 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.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.23 Irregular expenditure

Irregular expenditure is defined in section 1 of the MFMA as follows:
Ïrregular expenditure ", in relation to a municipality or municipal entity, means
a) expenditure incurred by a municpality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Plublic Office-Beares Act, 1988 (Act No.20 of 1998);or
d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the muncipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes ependiture by a municipality which falls within the definition of "unauthorised expenditure".

In this context 'expenditure' refers to any use of municipal funds that is in contravention of the following legislation:

> Municipal Finance Management Act, Act 56 of 2003, and its regulations
> Municipal Systems Act, Act 32 of 2000, and its regulations
> Public Office Bearers Act, Act 20 of 1998, and its regulations; and
> The municipality's supply chain management policy, and any by-laws giving effect to that policy.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008).

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end and must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

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1.23 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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 economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance

Irregular Expenditure is disclosed in terms of Circular 68 from National Treasury.

1.24 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

The geographical information is not available to be able to report segments per area.

1.25 Budget information

Economic Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. The approved budget is prepared on an accrual basis and presented by programmes linked to performance outcome objectives. The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

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Accounting Policies

1.25 Budget information (continued)

The consolidated annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

1.26 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the economic entity.

The economic entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the economic entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the economic entity is exempt from the disclosures in accordance with the above, the economic entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its consolidated annual financial statements.

Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, Executive Directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.27 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 economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Accounting Policies

1.27 Events after reporting date (continued)

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

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classiffied as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.28 Statutory Receivables

Statutory receivables are receivables that:

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(a) arise from legislation, supporting regulations, or similar means; and GRAP 108.

(b) require settlement by another entity in cash or another financial asset.

Initial Recognition

The Municipality shall recognise statutory receivables as follows:

(a) if the transaction is an exchange transaction, using GRAP 9;

(b) if the transaction is a non-exchange transaction, using GRAP 23; or

(c) if the transaction is not within the scope of the Standards of GRAP listed in (a) or (b) 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 entity and the transaction amount can be measured reliably

Derecognition

An entity shall derecognise a statutory receivable, or a part thereof, when:

(a) the rights to the cash flows from the receivable are settled, expire or are waived;

(b) the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

(c) the entity, 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 entity shall:
(i) derecognise the receivable; and
(ii) recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. An entity shall consider whether any newly created rights and obligations are within the scope of GRAP 104 or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, in accordance with this paragraph shall be recognised in surplus or deficit in the period of the transfer.

Initial Measurement

The Municipality shall initially measure statutory receivables at their transaction amount. The statutory receivables shall be measured initially in accordance with the applicable Standard of GRAP. The amount determined on initial measurement in accordance with another Standard of GRAP is the same as the transaction amount described in this Standard.

Accounting Policies

1.28 Statutory Receivables (continued)

Subsequent measurement
An entity shall measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
(a) interest or other charges that may have accrued on the receivable (where applicable);
(b) impairment losses; and
(c) amounts derecognise

Impairment losses

An entity shall assess 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, an entity shall consider, as a minimum, the following indicators:
(a) Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
(b) It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
(c) A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
(d) 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, an entity shall measure 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, shall be reduced, either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

In estimating the future cash flows, an entity 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, an entity 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 shall be 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 shall be adjusted either directly or by adjusting the allowance account. The adjustment shall 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 shall be recognised in surplus or deficit

VAT Receivable

VAT is levied in accordance with the VAT Act. VAT receivable is recognised using the accrual basis of accounting to the extent that input VAT exceeds output VAT. VAT receivable is initially measured at the rate applicable to the transaction amount and subsequently measured using the cost method, which changes the initial measurement to reflect any interest or other charges that may have accrued on the receivable, impairment or amounts derecognised. The Municipality assesses at each reporting date whether there is any indication that the VAT receivable is impaired. If impairment indicators exist, an impairment loss is measured as the difference between the recoverable amount and the carrying amount. The recoverable amount is calculated as the estimated cash flows from the VAT returns filed with SARS. Where the carrying amount is higher than the recoverable amount, the carrying amount is reduced using a Provision for Bad Debts account to reflect the recoverable amount. The amount of the loss is recognised in the Statement of Financial Performance.

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the economic entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 : Employee Benefits	01 April 2023	No material impact
iGRAP 7 : Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	No material impact
GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	No material impact
GRAP 1 : Presentation of financial statements	01 April 2023	No material impact

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2024 or late periods but are not yet effective:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104 (as revised) : Financial Instruments	01 April 2025	Unlikely there will be material impact

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3. Segment information

General information

Identification of segments

The economic entity is organised and operates in three key functional segments (or business areas). The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. Revenue and expenditure relating to these business are allocatedat a transactional level. Costs relating to governance and administration of the municipality are not allocated to these business areas.

The three key business areas comprise of:

Community and public safety which includes community and social services, sport and recreation, public safety, health and housing services.

Economic and environmental services which include planning and development, road transport and environmental protection

Trading services which includes energy sources, water management and waste water management

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

3. Segment information (continued)

Segment surplus or deficit, assets and liabilities

Controlling entity - 2024

	Community Services	Economic Environmental Affairs	Water and Sanitation	Other Segments & Admin	Total
Revenue					
Revenue from non-exchange transactions	-	1 985 026	508 716 821	759 166 216	1 269 868 063
Revenue from exchange transactions	-	-	23 495 212	-	23 495 212
Actuarial gains	-	-	-	235 574	235 574
Agency Services	-	-	-	232 944	232 944
Rental of facilities and Equipment	-	-	-	14 020	14 020
Other Income	74 524	37 528	1 543 218	1 030 570	2 685 840
Total segment revenue	**74 524**	**2 022 554**	**533 755 251**	**760 679 324**	**1 296 531 653**
Interest revenue					132 275 373
Total revenue					**1 428 807 026**
Expenditure					
Salaries and wages	16 001 054	30 139 541	88 880 261	186 615 963	321 636 819
Remuneration of Councillors	-	-	-	11 811 323	11 811 323
Legal Costs	-	-	-	10 695 694	10 695 694
Depreciation	-	-	101 754 973	120 568 551	222 323 524
Lease rentals from Operating Lease	-	-	-	2 896 881	2 896 881
Debt impairment	-	-	-	11 217 382	11 217 382
Bulk Purchases	-	-	8 320 919	-	8 320 919
Contracted Services	2 935 502	32 765 658	97 638 596	55 359 404	188 699 160
Transfers and Subsidies	-	-	-	1 346 166	1 346 166
Impairment of PPE	-	-	710 790	-	710 790
General Expenses	2 967 937	1 953 549	37 072 571	154 247 933	196 241 990
Project Expenditure	-	8 716 455	-	1 876 538	10 592 993
Total segment expenditure	**21 904 493**	**73 575 203**	**334 378 110**	**556 635 835**	**986 493 641**

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	Community Services	Economic Environmental Affairs	Water and Sanitation	Other Segments & Admin	Total
3. Segment information (continued)					
Total segmental surplus/(deficit)	**(21 829 969)**	**(71 552 649)**	**199 377 141**	**204 043 489**	**310 038 012**
Total revenue reconciling items					132 275 373
Assets					
Segment assets	131 100	6 065 041	5 720 840 426	1 600 138 168	7 327 174 735
Total assets as per Statement of financial Position					**7 327 174 735**
Liabilities					
Segment liabilities	-	-	-	216 757 105	216 757 105
Total liabilities as per Statement of financial Position					**216 757 105**

Cashflows	Other Segments	Total
Cashflow from operating activities	763 437 023	763 437 023
Cashflow from investing activities	(495 560 375)	(495 560 375)

Controlling entity - 2023

	Community and Public Safety	Economic Envronmental Affairs	Water and Sanitation	Other Segments & Admin	Total

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3. Segment information (continued)

Revenue					
Revenue from exchange transactions	-	-	25 298 157	-	25 298 157
Revenue from non-exchange transactions	16 626 000	-	558 017 587	703 654 345	1 278 297 932
Agency Services	-	-	-	221 196	221 196
Rental of facilities and Equipment	-	-	-	14 971	14 971
Other Income	1 065 610	-	7 487 709	431 942	8 985 261
Actuarial gains	-	-	-	1 373 754	1 373 754
Total segment revenue	**17 691 610**	**-**	**590 803 453**	**705 696 208**	**1 314 191 271**
Interest revenue					83 345 961
Entity's revenue					**1 397 537 232**
Expenditure					
Salaries and wages	38 960 709	12 046 260	99 508 078	138 780 681	289 295 728
Remuneration of councillors	-	-	-	11 306 562	11 306 562
Litigation expenditure	-	-	-	7 536 414	7 536 414
Depreciation	-	-	86 592 785	19 811 696	106 404 481
Lease rentals on operating lease	-	-	-	1 616 800	1 616 800
Debt impairment	-	-	-	13 404 022	13 404 022
Bulk purchases	-	-	13 312 408	-	13 312 408
Transfers and subsidies	14 304 895	26 086 956	-	584 778	40 976 629
General expenses	5 766 807	2 629 757	26 342 963	117 644 696	152 384 223
Contracted services	2 465 540	30 642 030	79 407 362	78 817 385	191 332 317
Total segment expenditure	**61 497 951**	**71 405 003**	**305 163 596**	**389 503 034**	**827 569 584**
Total segmental surplus/(deficit)					**486 621 687**
Total revenue reconciling items					83 345 961
Assets					
Segment assets	131 100	9 877 228	5 349 996 913	1 292 951 630	6 652 956 871
Long term Investment	-	-	-	10 838 087	10 838 087
Total segment assets	**131 100**	**9 877 228**	**5 349 996 913**	**1 303 789 717**	**6 663 794 958**
Total assets as per Statement of financial Position					**6 663 794 958**

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	Community and Public Safety	Economic Envronmental Affairs	Water and Sanitation	Other Segments & Admin	Total
3. Segment information (continued)					
Liabilities					
Segment liabilities	-	-	-	223 286 517	223 286 517
Total liabilities as per Statement of financial Position					**223 286 517**

	Other Segments	Total
Cashflow from operating activities	625 794 743	625 794 743
Cashflows from Investing activities	(482 541 580)	(482 541 580)
	143 253 163	**143 253 163**

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

4. Inventories

Consumables stores	12 395 923	11 183 466	12 395 923	11 183 466
Water	3 811 250	3 644 310	3 811 250	3 644 310
	16 207 173	**14 827 776**	**16 207 173**	**14 827 776**

Water losses in cubic meters

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Opening balance	203 886	549 745	203 886	549 745
System input volume	6 005 500	6 118 765	6 005 500	6 118 765
Authorised consumption	(5 052 877)	(5 177 324)	(5 052 877)	(5 177 324)
Non-revenue water	(195 364)	(204 567)	(195 364)	(204 567)
Water Losses	**961 145**	**543 288**	**961 146**	**543 288**
Cost of producing one cubic litre	19	18	19	18
Water losses in Rands	18 261 774	9 779 184	18 261 774	9 779 184
Water loss as a percentage of produced	16	10	16	10
	-	-	-	-

The water losses are as a result of leakages on the network system, evaporation as well as illegal connections.

There is no inventory that was pledged as security.

5. Receivables from non-exchange transactions

LG SETA	-	177 107	-	177 107
Salary Control	60 832	-	60 832	-
Other taxes	50 000	-	50 000	-
Staff Debtors	240 719	392 830	240 719	392 830
Other Debtors	4 056 212	139 872	4 056 212	139 872
	4 407 763	**709 809**	**4 407 763**	**709 809**

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Grants - Bank SETA	34 800	-	34 800	-
Grants - LG SETA	-	177 107	-	-
	34 800	**177 107**	**34 800**	**-**

The other receivables are made up of the following

Salary Control	60 832	-	-	-
ANDA Legal expenses	97 902	97 922	97 902	97 922
Utilities World	176 455	41 950	176 455	41 950
Amadonti Projects	116 900	-	116 900	-
Bank Seta grant	34 800	-	34 800	-
SALGA Levies	3 630 156	-	3 630 156	-
	4 117 045	**139 872**	**4 056 213**	**139 872**
Financial asset receivables included in receivables from non-exchange transactions above	**4 372 963**	**532 702**	**4 372 963**	**532 702**

Receivables from non-exchange transactions pledged as security

There were no receivables from non-exchange that were pledged as security.

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

6. Receivables from Exchange Transactions

Gross balances				
Water	166 226 367	150 534 739	166 226 367	150 534 739
Sewerage	27 304 800	24 866 225	27 304 800	24 866 225
Other	1 320 658	1 334 107	1 320 658	1 334 107
	194 851 825	**176 735 071**	**194 851 825**	**176 735 071**
Less: Allowance for impairment				
Water	(101 875 280)	(92 600 953)	(101 875 280)	(92 600 953)
Sewerage	(23 034 041)	(21 082 891)	(23 034 041)	(21 082 891)
Other	(732 335)	(740 430)	(732 335)	(740 430)
	(125 641 656)	**(114 424 274)**	**(125 641 656)**	**(114 424 274)**
Net balance				
Water	64 351 087	57 933 786	64 351 087	57 933 786
Sewerage	4 270 759	3 783 334	4 270 759	3 783 334
Other	588 323	593 677	588 323	593 677
	69 210 169	**62 310 797**	**69 210 169**	**62 310 797**
Water				
Current	5 072 007	2 916 359	5 072 007	2 916 359
31 - 60 days	3 391 581	2 989 491	3 391 581	2 989 491
61 - 90 days	3 272 082	2 650 591	3 272 082	2 650 591
91 - 120 days	2 619 594	2 435 754	2 619 594	2 435 754
121 - 150 days	3 025 071	2 222 213	3 025 071	2 222 213
151 - 180 days	2 895 543	2 339 998	2 895 543	2 339 998
> 180 days	145 950 489	134 980 661	145 950 489	134 980 661
	166 226 367	**150 535 067**	**166 226 367**	**150 535 067**
Sewerage				
Current	416 232	403 470	416 232	403 470
31 - 60 days	410 240	402 241	410 240	402 241
61 - 90 days	444 449	392 341	444 449	392 341
91 - 120 days	386 107	386 929	386 107	386 929
121 - 150 days	383 508	386 929	383 508	386 929
151 - 180 days	379 512	383 175	379 512	383 175
> 180 days	24 884 752	22 897 736	24 884 752	22 897 736
	27 304 800	**25 252 821**	**27 304 800**	**25 252 821**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

6. Receivables from Exchange Transactions (continued)

Sundries				
> 180 days	1 320 658	1 334 107	1 320 658	1 334 107
	-	-	-	-
	1 320 658	**1 334 107**	**1 320 658**	**1 334 107**

Summary of debtors by classification

Consumers		
0-30 days	2 189 598	1 093 039
31- 60 days	1 450 388	1 080 138
61-90 days	1 791 086	1 133 060
91-120 days	1 119 503	1 125 350
>120 days	97 329 025	93 415 228
Subtotal	103 879 600	97 846 815
Less impairment allowance	(91 966 936)	(87 457 819)
	11 912 664	**10 388 996**
Industrial		
0-30 days	829 635	673 390
31-60 days	839 692	512 772
61-90 days	663 376	473 063
91-120 days	696 495	525 310
>120 days	39 012 576	34 365 541
	-	-
Subtotal	42 041 774	36 550 076
Less impairment allowance	(10 235 742)	(8 906 512)
	31 806 032	**27 643 564**
Churches		
0-30 days	449 490	41 331
31-60 days	47 542	52 242
61-90 days	70 726	52 343
91-120 days	36 304	54 143
> 120 days	2 952 241	2 665 773
Subtotal	3 556 303	2 865 832
Less impairment allowance	(2 841 492)	(217 490)
	714 811	**2 648 342**
National and Provincial Governments		
0-30 days	2 019 516	1 512 069
31-60 days	1 464 199	1 746 580
61-90 days	1 191 343	1 384 466
91-120 days	1 153 400	1 117 879
>120 days	38 225 031	32 377 240
Subtotal	44 053 489	38 138 234
Less impairment allowance	(19 865 150)	(17 102 022)
	24 188 339	**21 036 212**
Other- sundries		
>120 days	1 320 658	1 334 107

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Figures in Rand	2024	2023	2024	2023

6. Receivables from Exchange Transactions (continued)

Subtotal			1 320 658	1 334 107
Less impairment allowance			(732 335)	(740 430)
			588 323	**593 677**
Other (specify)				
Current (0 -30 days)	5 488 239	3 397 682	5 488 239	3 397 682
31 - 60 days	3 801 822	3 471 078	3 801 822	3 471 078
61 - 90 days	3 716 531	3 129 314	3 716 531	3 129 314
91 - 120 days	3 005 701	2 914 694	3 005 701	2 914 694
121 - 365 days	178 839 532	163 822 303	178 839 532	163 822 303
	194 851 825	**176 735 071**	**194 851 825**	**176 735 071**
Reconciliation of allowance for impairment				
Balance at beginning of the year	(114 424 273)	(94 507 584)	(114 424 273)	(94 507 584)
Contributions to allowance	(11 217 383)	(19 916 690)	(11 217 383)	(19 916 690)
	(125 641 656)	**(114 424 274)**	**(125 641 656)**	**(114 424 274)**

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Short-term deposits	1 384 491 996	1 116 615 348	1 376 547 875	1 110 225 379

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

7. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
Main Account - Current Account #62024932974	42 235 406	135 814 993	12 976 230	25 075 236	103 566 323	6 808 359
Main Call Account - 62477436553	544 988 557	394 732 048	222 870 871	544 988 557	394 732 048	222 870 871
DBSA - Call Account	203 490 688	162 549 979	119 977 518	203 490 688	162 549 979	114 302 038
Rural Road Asset Management #62454657720	2 242 363	40 000	4 716 220	2 242 363	40 000	4 716 220
Regional Bulk Account #62027459371	3 060 800	54 951	1 811 937	3 060 800	54 951	1 811 937
EPWP Account #62058637110	6 968	61 518	17 890	6 968	61 517	17 890
FMG Account #62033034597	114 464	5 152	3 315	114 464	5 152	3 315
WSIG Account #62033034448	722 890	309 389	40 367 988	722 890	309 389	40 367 988
Energy & Efficient Account #62027455808	6 058	553 323	5 281	6 058	553 323	5 281
Salaries and Allowance Account #620255448855	552 950 939	414 918 315	170 958 541	552 950 939	414 918 315	170 958 541
ISDG Account #62093569136	1 008 145	18 786	11 801	1 008 145	18 786	11 801
MIG Account #62065368328	1 173 741	974 074	66 636 488	1 173 741	974 074	72 311 968
Retentions	30 163 511	32 441 518	27 846 573	30 163 511	32 441 518	27 846 573
Standard Bank	-	-	101 643 836	-	-	101 643 836
Standard Bank 2	-	-	203 287 671	-	-	203 287 671
Petty cash	-	-	-	-	-	7 928
Nedbank investment	11 543 514	-	-	11 543 514	-	-
ANDA FNB Main Account #62215290355	609 799	1 056 135	37 580	609 800	1 101 630	37 580
FNB BANK Livestock Account#62238128351	1 056 377	974 450	213 286	1 056 340	974 450	213 286
FNB BANK SMME Account #62238128517	56 445	52 068	392 163	56 445	14 788	392 163
FNB Investment account #76202953868	-	2 051 599	-	-	2 051 599	-
FNB BANK Reserve Account #62238130231	5 868 695	338 924	14 354	5 868 695	338 953	14 354
FNB BANK Capacity Building #62723833621	45 978	91 417	5 609	45 978	92 856	5 609
FNB BANK Commercial NFS #62822669620	306 864	1 815 704	699 670	306 864	1 815 697	699 670
Total	**1 401 652 202**	**1 148 854 343**	**974 494 822**	**1 384 491 996**	**1 116 615 348**	**968 334 879**

8. VAT Input Accrual

	23 565 811	11 323 724	23 470 972	11 219 969
VAT Input Accrual				

VAT Input accrual is the VAT that is claimable only when payment is made to a VAT vendor supplier and is a financial asset. VAT is payable or refundable on the payment basis.

VAT output Accrual

VAT Output Accrual	17 284 827	13 472 637	17 284 827	13 472 637

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Notes to the Consolidated Annual Financial Statements

VAT Input accrual is the VAT that is claimable only when payment is made to a VAT vendor supplier and is a financial asset. VAT is payable or refundable on the payment basis.

9. Statutory receivables

The entity had the following statutory receivables where other Standards of GRAP have been applied, for the initial recognition:

Value added tax (VAT)	17 539 817	28 180 874	16 683 170	27 700 400
VAT receivable (Refer to note 8)				
BANK SETA Grant	34 800	-	34 800	-
The relating line item where statutory receivables are included in receivables from non- exchange (Refer to note 5)				
LG SETA Grant	-	177 107	-	-
The relating line item where statutory receivables are included in receivables from non- exchange (Refer to note 5)				
	17 574 617	**28 357 981**	**16 717 970**	**27 700 400**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

10. Investment property

Economic entity	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	283 000	-	283 000	283 000	-	283 000

Reconciliation of investment property - Economic entity - 2024

	Opening balance	Total
Investment property	283 000	283 000

Reconciliation of investment property - Economic entity - 2023

	Opening balance	Fair value adjustments	Total
Investment property	280 000	3 000	283 000

Reconciliation of investment property - Controlling entity - 2024

Reconciliation of investment property - Controlling entity - 2023

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

10. Investment property (continued)

The Municipal entity's mandate is to amongst others acquire, own and manage land and buildings necessary to enable it to achieve its stated aims and objectives. This includes managing and developng some of the properties under the ownership of the controlling municipality. Fortdonald site is one of these properties managed by the Municipal entity.

Details of valuation

Revaluations were performed by professional valuers registered with the South African Council of Property Valuers Profession and South African Institute of Valuers.

The property was valued using the comparative method. The method involves identifying properties that have been sold on the market. They are compared with the subject property and an adjustment is then made to the values to reflect their differences.

Other Factors

Other factors considered in determining the property value:	Current condition of the property
	Highest and best use of the property

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

11. Property, plant and equipment

Economic entity	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	465 000	-	465 000	465 000	-	465 000
Buildings	63 737 353	(34 697 819)	29 039 534	63 737 353	(31 642 102)	32 095 251
Infrastructure	3 399 751 931	(904 505 201)	2 495 246 730	2 984 702 217	(802 558 685)	2 182 143 532
Other property, plant and equipment	131 851 164	(66 817 813)	65 033 351	105 104 840	(63 101 051)	42 003 789
Assets Under Construction - Water	3 014 072 832	-	3 014 072 832	3 007 846 074	-	3 007 846 074
Assets Under Construction - Sanitation	179 005 706	-	179 005 706	147 875 348	-	147 875 348
Assets Under Construction - Buildings	5 850 349	-	5 850 349	4 705 591	-	4 705 591
Assets Under Construction - Silos	12 664 685	-	12 664 685	9 877 128	-	9 877 128
Assets Under Construction - Specialised vehicles	14 000 124	-	14 000 124	-	-	-
Total	**6 821 399 144**	**(1 006 020 833)**	**5 815 378 311**	**6 324 313 551**	**(897 301 838)**	**5 427 011 713**

Figures in Rand	Economic entity		Controlling entity	
	2024	2023	2024	2023

11. Property, plant and equipment (continued)

Controlling entity	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	465 000	-	465 000	465 000	-	465 000
Buildings	61 989 561	(34 177 564)	27 811 997	61 989 561	(31 180 220)	30 809 341
Infrastructure	3 399 751 931	(904 505 201)	2 495 246 730	2 984 702 217	(802 558 685)	2 182 143 532
Other property, plant and equipment	129 811 015	(65 111 789)	64 699 226	102,952,344	(61,203,958)	41 748 383
Assets Under Construction - Water	3 014 072 832	-	3 014 072 832	3 007 846 074	-	3 007 846 074
Assets Under Construction - Sanitation	179 005 706	-	179 005 706	147 875 348	-	147 875 348
Assets Under Construction - Buildings	5 850 349	-	5 850 349	4 705 591	-	4 705 591
Assets Under Construction - Silos	12 664 685	-	12 664 685	9 877 128	-	9 877 128
Assets Under Construction -Specialised vehicles	14 000 124	-	14 000 124	-	-	-
Total	**6 817 611 203**	**(1 003 794 554)**	**5 813 816 649**	**6 320 456 591**	**(894 942 863)**	**5 425 470 396**

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity
Figures in Rand	2023	2024	2023

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Derecognition	Transfers to/from AUC	Depreciation	Impairment loss	Total
Land	465 000	-	-	-	-	-	465 000
Buildings	32 095 251	-	-	-	(3 055 717)	-	29 039 534
Infrastructure	2 182 143 532	-	(42 950)	415 610 490	(101 753 419)	(710 923)	2 495 246 730
Other property, plant and equipment	42 003 789	36 844 229	(1 381 433)	-	(12 433 234)	-	65 033 351
Assets Under Construction - Water	3 007 846 074	421 837 248	-	(415 610 490)	-	-	3 014 072 832
Assets Under Construction - Sanitation	147 875 348	31 130 358	-	-	-	-	179 005 706
Assets Under Construction - Buildings	4 705 591	1 144 758	-	-	-	-	5 850 349
Assets Under Construction - Silos	9 877 128	2 787 557	-	-	-	-	12 664 685
Assets Under Construction - Specialised vehicles	-	14 000 124	-	-	-	-	14 000 124
	5 427 011 713	**507 744 274**	**(1 424 383)**	**-**	**(117 242 370)**	**(710 923)**	**5 815 378 311**

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2023

	Opening balance	Additions	Disposals	Transfers to/from AUC	Depreciation	Total
Land	465 000	-	-	-	-	465 000
Buildings	30 574 357	-	-	3 498 504	(1 977 610)	32 095 251
Infrastructure	2 167 379 316	18 695 744	-	90 074 620	(94 006 148)	2 182 143 532
Other property, plant and equipment	41 319 518	9 376 201	(1 103 447)	1 260 000	(8 848 483)	42 003 789
Assets Under Construction - Water	2 660 884 140	437 036 554	-	(90 074 620)	-	3 007 846 074
Assets Under Construction - Sanitation	142 673 611	5 201 737	-	-	-	147 875 348
Assets Under Construction - Buildings	4 157 592	3 560 503	-	(3 012 504)	-	4 705 591
Assets Under Construction - Silos	8 660 854	1 216 274	-	-	-	9 877 128
Assets Under Construction - Specialised vehicles	1 746 000	-	-	(1 746 000)	-	-
	5 057 860 388	**475 130 341**	**(1 103 447)**	**-**	**(104 832 241)**	**5 427 011 713**

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Figures in Rand	Economic entity	Controlling entity

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2024

	Opening balance	Additions	Derecognition	Transfers to/from AUC	Depreciation	Impairment loss	Total
Land	465 000	-	-	-	-	-	465 000
Buildings	30 809 341	-	-	-	(2 997 342)	-	27 811 999
Infrastructure	2 182 143 532	-	(42 950)	415 612 042	(101 753 419)	(710 923)	2 495 246 730
Other property, plant and equipment	41 748 383	36 579 630	(1 381 433)	-	(12 248 912)	-	64 699 226
Assets Under Construction - Water	3 007 846 074	421 838 800	-	(415 612 042)	-	-	3 014 072 832
Assets Under Construction - Sanitation	147 875 348	31 130 358	-	-	-	-	179 005 706
Assets Under Construction - Building	4 705 591	1 144 758	-	-	-	-	5 850 349
Assets Under Construction - Silos	9 877 128	2 787 557	-	-	-	-	12 664 685
Assets Under Construction - Specialised vehicles	-	14 000 124	-	-	-	-	14 000 124
	5 425 470 396	**507 481 227**	**(1 424 383)**	**-**	**(116 999 673)**	**(710 923)**	**5 813 816 651**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2023

	Opening balance	Additions	Derecognition	Transfers to/from AUC	Depreciation	Total
Land	465 000	-	-	-	-	465 000
Buildings	29 230 074	-	-	3 498 504	(1 919 237)	30 809 341
Infrastructure	2 167 379 316	18 695 744	-	90 074 620	(94 006 149)	2 182 143 531
Other property, plant and equipment	40 978 184	9 289 559	(1 103 447)	1 260 000	(8 675 913)	41 748 383
Assets Under Construction - Water	2 660 884 140	437 036 554	-	(90 074 620)	-	3 007 846 074
Assets Under Construction - Sanitation	142 673 611	5 201 737	-	-	-	147 875 348
Assets Under Construction - Buildings	4 157 592	3 560 503	-	(3 012 504)	-	4 705 591
Assets Under Construction - Silos	8 660 854	1 216 274	-	-	-	9 877 128
Assets Under Construction -Specialised vehicles	1 746 000	-	-	(1 746 000)	-	-
	5 056 174 771	**475 000 371**	**(1 103 447)**	**-**	**(104 601 299)**	**5 425 470 396**

Pledged as security

There were no property, plant and equipment pledged as security:

Expenditure incurred to repair and maintain property, plant and equipment

Repairs and maintenance expenditure on Property, plant and equipment is disclosed under contracted services note number 37.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

12. Intangible assets

Economic entity	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	266 229	(6 868)	259 361	400 000	(7 306)	392 694
Computer Software	11 614 384	(7 194 004)	4 420 380	11 810 770	(4 160 226)	7 650 544
Total	**11 880 613**	**(7 200 872)**	**4 679 741**	**12 210 770**	**(4 167 532)**	**8 043 238**

Controlling entity	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer Software	11 614 384	(7 194 004)	4 420 380	11 810 770	(4 160 226)	7 650 544

Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Derecognition	Amortisation	Total
Computer software, other	392 694	-	(133 333)	259 361
Computer software	7 650 544	(39 140)	(3 191 191)	4 420 213
	8 043 238	**(39 140)**	**(3 324 524)**	**4 679 574**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

12. Intangible assets (continued)

Reconciliation of intangible assets - Economic entity - 2023

	Opening balance	Additions	Derecognition	Amortisation	Total
Computer software, other	126 027	400 000	-	(133 333)	392 694
Computer Software	762 912	7 183 212	(7 266)	(288 314)	7 650 544
	888 939	**7 583 212**	**(7 266)**	**(421 647)**	**8 043 238**

Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Derecognition	Amortisation	Total
Computer Software	7 650 544	(39 140)	(3 191 191)	4 420 213

Reconciliation of intangible assets - Controlling entity - 2023

	Opening balance	Additions	Derecognition	Amortisation	Total
Computer Software	762 912	7 183 212	(7 266)	(288 314)	7 650 544

Pledged as security

There were no intangible assets pledged as security:

13. Other non-current receivables from exchange transactions

	2024	2023	2024	2023
Deposits made to Eskom	7 971 013	7 879 073	7 971 013	7 879 073

The other non- current receivables consists of consumer deposits made to Eskom for electricity connections.

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

14. Heritage assets

Economic entity	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	131 100	-	131 100	131 100	-	131 100

Controlling entity	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	131 100	-	131 100	131 100	-	131 100

Reconciliation of heritage assets Economic entity - 2024

	Opening balance	Total
Historical monuments	131 100	131 100

Reconciliation of heritage assets Economic entity - 2023

	Opening balance	Total
Historical monuments	131 100	131 100

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

14. Heritage assets (continued)

Reconciliation of heritage assets Controlling entity - 2024

	Opening balance	Total
Historical monuments	131 100	131 100

Reconciliation of heritage assets Controlling entity - 2023

	Opening balance	Total
Historical monuments	131 100	131 100

15. Staff loans

Staff Loans	1 041 861	1 041 861	1 041 861	1 041 861
	1 041 861	1 041 861	1 041 861	1 041 861
Allowance for doubtful debts	(1 041 861)	(1 041 861)	(1 041 861)	(1 041 861)
	-	-	-	-

The Municipality previously, in 2002, assisted some municipal officials with advances to buy motor vehicles through provision of car loans. Some of these officials left the municipality and some passed on. Means of tracing these employees were fruitless and the recoverability of the said amount is doubtful as a result. The loans have been fully impaired. The munipality does not offer loans to staff members anymore.

16. Investments

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At amortised cost				
Nedbank investment	-	10 838 087	-	10 838 087
Non-current assets				
Designated at amortised cost	-	10 838 087	-	10 838 087
Non-current assets	-	10 838 087	-	10 838 087

Account	Cashbook 2024	Cashbook 2023	Bank statement 2024	Bank statement 2023	
Nebank Account	11 543 514	10 838 087	11 543 514	10 838 087	-

The investment is a fixed deposit that matures on 31 March 2025 at a fixed interest rate of 14.07% per annum. It has been reclassified to current asset, cash and cash equivalent note 7, in the period that ended 30 June 2024.

17. Operating lease liability (Accrual)

Current liabilities	(209 989)	(226 024)	(209 989)	(226 024)

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

18. Payables from exchange transactions

Trade payables	207 375 756	86 673 814	204 872 536	85 851 824
Retentions	66 482 280	71 024 081	66 482 280	71 024 081
Accrued bonus	6 199 851	5 975 646	6 199 851	5 975 646
Other Creditors	10 145	9 762	10 145	9 762
Accrued salaries	267 018	1 784 461	267 018	1 784 461
Third party payments	205 164	176 391	205 164	176 391
	280 540 214	**165 644 155**	**278 036 994**	**164 822 165**

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19. Employee benefit obligations

Long Service Awards

Non-current liabilities	(13 093 000)	(10 955 000)	(13 093 000)	(10 955 000)
Current liabilities	(1 183 000)	(1 480 000)	(1 183 000)	(1 480 000)
	(14 276 000)	**(12 435 000)**	**(14 276 000)**	**(12 435 000)**

Long Service Awards

The municipality operates an unfunded defined plan for all its employees. Under the plan, a long service award is payable after five years of continuous service and every five years thereafter to employees. The provision is an estimate of the long service based on historical staff turnover. No other long service benefits are provided to employees. These provisions are made to enable the municipality to be in a position to fulfill its known legal obligations when they become due and payable.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Mr C. Weiss Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At the end of the year 516, (2023: 492) employees were eligible for long service awards

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	12 435 000	12 082 000	12 435 000	12 082 000
Current service costs	1 476 000	1 448 000	1 476 000	1 448 000
Interest Cost	1 333 000	1 235 000	1 333 000	1 235 000
Benefits paid	(732 426)	(956 247)	(732 426)	(956 247)
Actuarial gain	(235 574)	(1 373 753)	(235 574)	(1 373 753)
	-	-	-	-
Present value of the fund at the end of the year	**14 276 000**	**12 435 000**	**14 276 000**	**12 435 000**

Net expense recognised in the statement of financial performance

Current service cost	1 476 000	1 448 000	1 476 000	1 448 000
Interest cost	1 333 000	1 235 000	1 333 000	1 235 000
Actuarial (gains) losses	(235 574)	(1 373 753)	(235 574)	(1 373 753)
Net expense recognised in the statement of financial performance	**2 573 426**	**1 309 247**	**2 573 426**	**1 309 247**

Calculation of actuarial gains and losses

Actuarial (gains) losses – Obligation	(235 574)	(1 373 753)	(235 574)	(1 373 753)

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

19. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	11.21 %	11.38 %	11.21 %	11.38 %
CPI inflation rate	6.62 %	6.62 %	6.62 %	6.62 %
Net effect discount rate	4.57 %	4.57 %	4.57 %	4.47 %
Expected retirement age - Females	62	62	62	62
Expected retirement age - Males	62	62	62	62

20. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Fibre Processing and Manufacturing SETA	-	75 002	-	-
Water Services Infrastructure Grant	-	14 106 640	-	14 106 640
Expanded Public Works Programme	-	-	-	-
Bank Seta (ANDA)	891 600	1 800 000	-	-
National Skills Fund (ANDA)	824 150	834 317	-	-
Wholesale and Retail SETA	-	304 852	-	-
Local Government SETA	(1 290)	-	-	-
Services SETA	392 350	1 197 424	-	-
Rural Roads Asset Management System Grant	2 185 468	3	2 185 468	3
	4 292 282	**18 318 239**	**2 185 472**	**14 106 646**

The nature and extent of government grants recognised in the consolidated annual financial statements and an indication of other forms of government assistance from which the economic entity has directly benefited. Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. During the financial year, the funding from RAMS was not fully spent and a roll over application has been submitted to National Treasury.

See note 28 for reconciliation of grants from National/Provincial Government. These funds are invested in a ring-fenced investment until utilised.

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2024	2023	2024	2023

21. Provisions

Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Additions	Utilised during the year	Total
Litigations	3 903 041	2 065 784	-	5 968 825
Provision for leave	29 057 150	5 650 578	-	34 707 728
Employee benefit cost	911 751	-	(221 820)	689 931
	33 871 942	**7 716 362**	**(221 820)**	**41 366 484**

Reconciliation of provisions - Economic entity - 2023

	Opening Balance	Additions	Utilised during the year	Reduction due to re-measurement or settlement without cost to entity	Total
Litigations	3 903 381	(340)	-	-	3 903 041
Provision for leave	22 610 106	6 447 044	-	-	29 057 150
Employee benefit cost	1 254 783	-	(241 707)	(101 325)	911 751
	27 768 270	**6 446 704**	**(241 707)**	**(101 325)**	**33 871 942**

Reconciliation of Provisions - Controlling entity 2024

	Opening Balance	Additions	Total
Litigations	3 903 041	2 065 784	5 968 825
Leave Provision	29 057 150	5 650 578	34 707 728
	32 960 191	**7 716 362**	**40 676 553**

Reconciliation of Provisions -Controlling entity 2023

	Opening Balance	Additions	Total
Litigations	3 903 381	(340)	3 903 041
Leave Provision	22 610 106	6 447 044	29 057 150
	26 513 487	**6 446 704**	**32 960 191**

Litigations Provision

On the 26th of June 2019, the High court of South Africa, Mthatha, delivered a judgement against the municipality on a case between the municipality and Ms Z. Mgwebi. The two parties have not finalised the amount of the payout and in the current financial year and the Plaintiff revised the particulars of its claim to R 5 968 825.

Leave Provision

Staff leave accrue to staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

22. Payables from Non-Exchange Transactions

These are payments made by customers in advance for services.

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

22. Payables from Non-Exchange Transactions (continued)

Advance payments by customers	1 157 115	2 094 850	1 157 115	2 094 850

23. Revenue

Service charges	23 495 688	25 298 157	23 495 688	25 298 157
Rental of facilities and equipment	14 020	14 971	14 020	14 971
Agency services	232 944	221 196	232 944	221 196
Other income	2 685 840	9 020 174	2 685 840	9 020 174
Actuarial Gains	235 574	1 373 754	235 574	1 373 754
Interest income	132 274 896	83 640 910	131 613 793	83 345 961
Government grants & subsidies	1 268 471 453	1 284 085 573	1 257 588 787	1 278 297 932
Public contributions and donations	1 396 610	-	1 396 610	-
	1 428 807 025	**1 403 654 735**	**1 417 263 256**	**1 397 572 145**
The amount included in revenue arising from exchange of goods or services are as follows:				
Service charges	23 495 688	25 298 157	23 495 688	25 298 157
Rental of facilities and equipment	14 020	14 971	14 020	14 971
Agency services	232 944	221 196	232 944	221 196
Other income	2 685 840	9 020 174	2 685 840	9 020 174
Actuarial gains	235 574	1 373 754	235 574	1 373 754
Interest income	132 274 896	83 640 910	131 613 793	83 345 961
	158 938 962	**119 569 162**	**158 277 859**	**119 274 213**
The amount included in revenue arising from non-exchange transactions is as follows:				
Transfer revenue				
Government grants & subsidies	1 288 427 975	1 310 172 529	1 257 588 787	1 278 297 932
Public contributions and donations	1 396 610	-	1 396 610	-
	1 289 824 585	**1 310 172 529**	**1 258 985 397**	**1 278 297 932**

24. Service charges

Sale of water	20 504 079	21 851 878	20 504 079	21 851 878
Sewerage and sanitation charges	2 991 609	3 446 279	2 991 609	3 446 279
	23 495 688	**25 298 157**	**23 495 688**	**25 298 157**

25. Rental of facilities and equipment

Premises				
Premises	14 020	14 971	14 020	14 971

26. Agency services

Commission earned	232 944	221 196	232 944	221 196

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	Economic entity		Controlling entity	
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26. Agency services (continued)

Agency services are admin fees charged to companies that are paid by the municipality on behalf of municipal officials. The fee is for the admin work done in calculating the deductions, making the deductions and also paying over to the companies or third parties.

27. Other income

Sale of goods	37 528	34 913	-	-
Sundry Income	746 752	1 015 750	746 752	1 015 750
Recoveries	5 157	-	5 157	-
Insurance income	1 257 187	400 000	1 257 187	400 000
Retentions forfeited	546 317	7 487 709	546 317	7 487 709
Fire levy	74 523	49 860	74 523	49 860
Clearance fees	18 376	31 942	18 376	31 942
	2 685 840	**9 020 174**	**2 648 312**	**8 985 261**

28. Interest Income

Investments	112 079 020	69 639 317	112 079 020	69 639 317
Interest Income	661 103	291 949	-	-
Debtors fair value adjustment	19 534 773	13 706 644	19 534 773	13 706 644
Fair-value	-	3 000	-	-
	132 274 896	**83 640 910**	**131 613 793**	**83 345 961**
	-	-	-	-
	132 274 896	83 640 910	131 613 793	83 345 961

Notes to the Consolidated Annual Financial Statements

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29. Government grants & subsidies

Operating grants				
Equitable share	734 119 000	686 652 000	734 119 000	686 652 000
Fibre Processing SETA	43 478	-	-	-
Services, Wholesale & Retail and SETA's	8 023 032	2 794 403	-	-
Local Government SETA	706 578	2 305 238	-	-
National Skills Fund	10 178	688 000	-	-
Bank Seta -ANDA	2 099 400	-	-	-
Infrastructure skills development grant	5 670 000	5 500 000	5 670 000	5 500 000
Bank seta	1 996 890	3 488 815	1 996 890	3 488 815
Local government seta	763 150	593 534	763 150	593 534
Finance management grant	1 950 000	1 950 000	1 950 000	1 950 000
Emergency housing grant	-	16 626 000	-	16 626 000
Energy efficiency and demand management grant	-	2 420 000	-	2 420 000
Expanded public works programme	5 505 001	9 337 000	5 505 001	9 337 000
Rural roads asset management systems grant	264 535	3 049 996	264 535	3 049 996
	761 151 242	**735 404 986**	**750 268 576**	**729 617 345**
Capital grants				
Municipal infrastracture grant	423 226 995	433 122 000	423 226 995	433 122 000
Water services infrastructure grant	77 106 640	85 893 359	77 106 640	85 893 359
Regional bulk infrastructure grant	6 986 576	29 665 228	6 986 576	29 665 228
	507 320 211	**548 680 587**	**507 320 211**	**548 680 587**
	761 151 242	735 404 986	750 268 576	729 617 345
	507 320 211	548 680 587	507 320 211	548 680 587
	1 268 471 453	**1 284 085 573**	**1 257 588 787**	**1 278 297 932**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

During the year, the municipality received its draw downs as per National Treasury indicatives.

Expanded Public Works Programme

Current-year receipts	5 505 001	9 337 000	5 505 001	9 337 000
Conditions met - transferred to revenue	(5 505 001)	(9 337 000)	(5 505 001)	(9 337 000)
	-	-	-	-

EPWP grant is used to incentivise municipalities to expand work creation through the use of labour intensive delivery methods in the following identified focus areas, in compliance with EPWP guidelines: road maintenance and maintenance of buildings, low traffic volume roads and rural roads, basic services, infrastructure, including water and sewer reticulation, sanitation, pipelines (excluding bulk infrastructure) other economic and social infrastructure, tourism and cultural industries, waste management, parks and beautification, sustainable land based livelihoods, social services programmes and community safety programmes.

During the year the municipality received its draw downs as per National Treasury indicatives.

Finance Management Grant

Current-year receipts	1 950 000	1 950 000	1 950 000	1 950 000
Conditions met - transferred to revenue	(1 950 000)	(1 950 000)	(1 950 000)	(1 950 000)
	-	-	-	-

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Figures in Rand	2024	2023	2024	2023

29. Government grants & subsidies (continued)

The Finance Management grant is allocated to municipalities to promote and support reforms in financial management by building capacities in municipalities to implement the Finance Management Act.

During the year, the municipality received its draw downs as per National Treasury indicatives.

Municipal Infrastructure Grant

Current-year receipts	423 227 000	433 122 000	423 227 000	433 122 000
Conditions met - transferred to revenue	(423 227 000)	(433 122 000)	(423 227 000)	(433 122 000)
	-	-	-	-

The grant is meant to eradicate basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

During the year the municipality received its draw downs as per National Treasury indicatives.

Rural Roads Asset Management Systems Grant

Current-year receipts	2 450 000	3 050 000	2 450 000	3 050 000
Conditions met - transferred to revenue	(264 535)	(3 050 000)	(264 535)	(3 050 000)
	2 185 465	-	**2 185 465**	-

The grant is used to assist district municipalities to set up road asset management systems and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.

During the year, the municipality could not spend the grant fully. A rollover application has been made to National Treasury for the remaining balance.

Infrastructure Skills Development Grant

Current-year receipts	5 670 000	5 500 000	5 670 000	5 500 000
Conditions met - transferred to revenue	(5 670 000)	(5 500 000)	(5 670 000)	(5 500 000)
	-	-	-	-

The grant is used to recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment.

During the year the municipality received its draw downs as per National Treasury indicatives.

Regional Bulk Infrastructure Grant

Balance unspent at beginning of year	-	(8 270 526)	-	(8 270 526)
Current-year receipts	6 986 576	37 935 754	6 986 576	37 935 754
Conditions met - transferred to revenue	(6 986 576)	(29 665 228)	(6 986 576)	(29 665 228)
	-	-	-	-

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29. Government grants & subsidies (continued)

The grant is used to develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water and sanitation infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large bulk infrastructure serving numerous communities over a large area within a municipality.

To implement bulk infrastructure with a potential of addressing water conservation and water demand management (WC/WDM) projects to facilitate and contribute to the implementation of local (WC/WDM) projects that will directly impact on bulk infrastructure requirements.

Energy Efficiency and Demand Management

Current-year receipts	-	2 420 000	-	2 420 000
Conditions met - transferred to revenue	-	(2 420 000)	-	(2 420 000)
	-	-	-	-

The grant is used to subsidise to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

There were no receipts for this grant in the current financial year.

Water Services Infrastructure Grant

Balance unspent at beginning of year	14 106 641	-	14 106 641	-
Current-year receipts	63 000 000	100 000 000	63 000 000	100 000 000
Conditions met - transferred to revenue	(77 106 641)	(85 893 359)	(77 106 641)	(85 893 359)
	-	**14 106 641**	**-**	**14 106 641**

The grant is used to facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities.

During the year the municipality received its draw downs as per National Treasury indicatives.

Municipal Emergency Housing Grant

Current-year receipts	-	16 625 778	-	16 625 778
Conditions met - transferred to revenue	-	(16 625 778)	-	(16 625 778)
	-	-	-	-

The grant was for the provision of temporary shelter assistance to households affected by disasters.

There were no receipts for this current financial year.

Bank SETA (ANDA)

Balance unspent at beginning of year	1 800 000	-	-	-
Current-year receipts	1 191 000	1 800 000	-	-
Conditions met - transferred to revenue	(2 099 400)	-	-	-
	891 600	**1 800 000**	-	

Conditions still to be met - remain liabilities (see note 20).

National Skills Fund

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29. Government grants & subsidies (continued)

Balance unspent at beginning of year	834 328	615 821	-	-
Current-year receipts	-	906 507	-	-
Conditions met - transferred to revenue	(10 178)	(688 000)	-	-
	824 150	**834 328**	**-**	**-**

Conditions still to be met - remain liabilities (see note 20).

Wholesale and Retail SETA

Balance unspent at beginning of year	304 950	168 886	-	-
Current-year receipts	-	612 000	-	-
Conditions met - transferred to revenue	(304 950)	(475 936)	-	-
	-	**304 950**	**-**	**-**

Conditions still to be met - remain liabilities (see note 20).

Local Government SETA

Balance unspent at beginning of year	(177 107)	209 933	-	-
Current-year receipts	882 392	1 917 960	-	-
Conditions met - transferred to revenue	(706 578)	(2 305 000)	-	-
	(1 293)	**(177 107)**	**-**	**-**

Conditions still to be met - remain liabilities (see note 20).

Services SETA

Balance unspent at beginning of year	1 197 894	166 001	-	-
Current-year receipts	6 837 634	3 826 533	-	-
Conditions met - transferred to revenue	(7 643 178)	(2 794 640)	-	-
	392 350	**1 197 894**	**-**	**-**

Conditions still to be met - remain liabilities (see note 20).

30. Public contributions and donations

Public contributions and donations 9	1 396 610	-	1 396 610	-

DBSA made a donation to the Municipality, an asset, water truck. The asset has been disclosed in note number 9 as part of property, plant and equipment. There is no condition attached to this transfer of the asset,

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31. Employee related costs

Basic Salaries and Scarcity Allowance	198 329 287	188 286 119	192 447 623	182 210 793
Bonus	14 023 358	12 744 543	14 023 358	12 744 543
Medical aid	16 410 982	15 732 444	15 977 570	14 811 040
UIF and Group Life	2 039 570	1 657 622	1 997 862	1 629 422
SDL	2 526 927	2 353 035	2 450 915	2 250 950
Backpay	-	93 520	-	-
Leave pay provision charge	9 443 035	7 704 585	9 664 855	8 047 617
Overtime payments	11 890 185	6 935 977	11 890 185	6 935 977
Long-service awards	2 809 000	2 683 000	2 809 000	2 683 000
Acting allowances	149 562	315 282	-	-
Car allowance	23 116 758	22 836 113	21 826 790	20 987 299
Housing benefits and allowances	5 177 756	5 669 694	5 177 756	5 669 694
Shift Allowance	2 833 030	2 879 549	2 833 030	2 879 549
Pension Contributions	566 557	873 034	-	-
Bargaining Council	75 527	70 421	75 527	70 421
Leave payout	725 909	241 707	-	-
Defined Contribution Plan	28 322 743	26 190 890	28 322 743	26 190 890
Standing Allowance	3 196 634	2 863 610	3 196 634	2 863 610
	321 636 820	**300 131 145**	**312 693 848**	**289 974 805**

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Remuneration of Municipal Manager

Annual Remuneration	885 221	680 406	885 221	680 406
Travel Allowance	103 275	79 381	103 275	79 381
Annual Bonuses	73 768	63 988	73 768	63 988
Contributions to Medical and Pension Funds	413 103	317 522	413 103	317 522
Remote Allowance	75 248	-	75 248	-
UIF, SDL, LEVY	16 267	15 293	16 267	15 293
Leavepay	-	363 614	-	363 614
	1 566 882	**1 520 204**	**1 566 882**	**1 520 204**

Remuneration of Chief Financial Officer

Annual Remuneration	733 485	703 881	733 485	703 881
Travel Allowance	257 211	247 828	257 211	247 828
Annual Bonuses	61 204	62 492	61 204	62 492
Contributions to Housing, Medical and Pension Funds	169 888	163 316	169 888	163 316
Remote Allowance	65 223	-	65 223	-
UIF, SDL, LEVY	14 440	11 948	14 440	11 948
Acting Allowance	79 347	-	79 347	-
	1 380 798	**1 189 465**	**1 380 798**	**1 189 465**

Remuneration of Senior Manager - Corporate Services

Annual Remuneration	25 888	773 761	25 888	773 761
Travel Allowance	8 629	257 920	8 629	257 920
Annual Bonus	59 286	121 609	59 286	121 609
Contributions to Medical and Pension Funds	6 473	193 441	6 473	193 441
UIF, SDL, LEVY	2 558	16 819	2 558	16 819
Leavepay	138 354	-	138 354	-
	241 188	**1 363 550**	**241 188**	**1 363 550**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

31. Employee related costs (continued)

The Director Corporate Services resigned in July 2023 and was appointed as the Director: Strategic Governance from the 13th July 2023.

Remuneration of Senior Manager - Community Services

Annual Remuneration	94 794	917 505	94 794	917 505
Travel Allowance	-	141 155	-	141 155
Annual Bonuses	-	70 577	-	70 577
Contributions to Housing, Medical and Pension Funds	-	352 886	-	352 886
UIF, SDL, LEVY	1 125	16 188	1 125	16 188
	95 919	**1 498 311**	**95 919**	**1 498 311**

The Director Community Services resigned in the financial year that ended 30 June 2023, Mr O. Diko was appointed from the 1st April 2024.

Remuneration of Senior Manager - IDMS

Annual Remuneration	793 764	785 905	793 764	785 905
Travel Allowance	193 270	191 356	193 270	191 356
Annual Bonus	64 911	64 263	64 911	64 263
Contributions to Housing, Medical and Pension Funds	245 032	242 501	245 032	242 501
Remote Allowance	43 449	-	43 449	-
UIF, SDL, LEVY	16 394	14 662	16 394	14 662
	1 356 820	**1 298 687**	**1 356 820**	**1 298 687**

Director: Community Services

Annual Remuneration	383 630	-	383 630	-
Remote Allowance	24 196	-	24 196	-
UIF, SDL, LEVY	5 518	-	5 518	-
	413 344	**-**	**413 344**	**-**

The Director Community Services was appointed in April 2024.

Director Planning and Development

Annual Remuneration	383 630	-	383 630	-
Car Allowance	24 196	-	24 196	-
Performance Bonuses	5 518	-	5 518	-
	413 344	**-**	**413 344**	**-**

The Director Planning and Economic Development was appointed in February 2024

Director: Strategic Governance

Annual Remuneration	712 210	-	712 210	-
Travel Allowance	177 563	-	177 563	-
Annual Bonuses	5 104	-	5 104	-
Contributions to Medical and Pension Funds	235 446	-	235 446	-
Remote Allowance	68 349	-	68 349	-
Other	14 752	-	14 752	-
	1 213 424	**-**	**1 213 424**	**-**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

31. Employee related costs (continued)

The Director Strategic Governance was appointed on the 13th of July 2023.

32. Remuneration of councillors

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Council Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor, Deputy Executive Mayor, Council Speaker have use of Council owned vehicles for official duties and they have two full-time bodyguards each.

Salaries

Executive Mayor	962 008	926 195	962 008	926 195
Deputy Executive Mayor	494 352	469 527	494 352	469 527
Council Speaker	792 872	752 508	792 872	752 508
Council Whip	723 165	699 662	723 165	699 662
Section 79 committee chairperson	445 150	426 140	445 150	426 140
Mayoral Committee	5 028 905	5 602 264	5 028 905	5 602 264
Other Councillors	3 364 871	3 263 734	3 364 871	3 263 734
Heading				
	11 811 323	**12 140 030**	**11 811 323**	**12 140 030**

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

33. Litigation expenditure

Legal fees	10 695 649	7 536 414	10 695 649	7 536 414
Legal fees ANDA	58 280	754 833	-	-
	10 753 929	**8 291 247**	**10 695 649**	**7 536 414**

34. Depreciation and amortisation

Property, plant and equipment	117 244 082	104 832 272	116 999 673	104 601 299
Intangible assets	3 324 469	420 125	3 191 136	286 792
	120 568 551	**105 252 397**	**120 190 809**	**104 888 091**

35. Lease rentals on operating lease

Equipment				
Contractual amounts	2 364 139	1 110 836	2 364 139	1 110 836
Plant and equipment				
Contractual amounts	532 742	505 964	532 742	505 964
	2 896 881	**1 616 800**	**2 896 881**	**1 616 800**

36. Debt impairment

Debt impairment	11 217 382	13 404 022	11 217 382	13 404 022

37. Bulk purchases

Water	8 321 461	13 312 408	8 321 461	13 312 408

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

38. Contracted services

Consultants and Professional Services				
Business and Advisory	8 803 462	8 154 161	5 627 102	5 556 632
Infrastructure and Planning	9 293 140	5 220 918	9 293 140	5 220 918
Contractors				
Repairs and Maintenance	101 158 592	100 345 236	101 158 592	100 345 236
Security services	31 322 315	30 444 599	31 322 315	30 444 599
Sports and Recreation	38 121 651	49 773 132	38 121 651	49 773 132
Total Consultants and Professional Services	18 096 602	13 375 079	14 920 242	10 777 550
Total Contractors	170 602 558	180 562 967	170 602 558	180 562 967
	188 699 160	**193 938 046**	**185 522 800**	**191 340 517**

39. Transfer and subsidies

Other subsidies				
External Bursaries	946 166	584 778	946 166	584 778
Emergency Housing	-	14 304 895	-	14 304 895
Cash transfers to other municipalities	400 000	-	400 000	-
Alfred Nzo Development Agency	-	-	19 956 522	26 086 956
	1 346 166	**14 889 673**	**21 302 688**	**40 976 629**

The municipality transferred funds to the local municipalities (Matatiele, Umzimvubu, Winnie-Madikizela Mandela and Ntabankulu municipalities) within the district as contributions for IDP roadshows.

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

40. General expenses

Audit Committee	989 360	843 411	989 360	843 411
Publicity and Marketing Costs	2 931 897	4 089 889	2 635 417	4 042 583
Audit Fees	7 113 411	9 116 532	6 059 369	8 064 490
Bank charges	835 592	800 926	819 755	786 491
Cleaning	564 564	543 161	474 821	464 919
IT expenses	3 451 478	2 206 000	3 451 478	2 206 000
Consumables	22 479 681	10 776 620	22 479 681	10 776 620
Discount allowed	-	533 464	-	533 464
Fines and penalties	2 453 795	24 215	-	-
Hire charges	-	31 351	-	-
Project Expenditure	10 592 993	6 139 303	-	-
Insurance	2 176 417	3 241 096	2 114 344	3 161 138
Licence fees	15 874 938	16 843 120	15 874 938	16 843 120
Board Sitting Allowances	456 276	246 544	-	-
Fuel and Oil	33 627 257	16 522 610	33 620 118	16 522 610
Printing and Stationery	3 877 912	2 005 697	3 683 247	1 985 186
Protective clothing	2 036 366	3 404 355	2 036 366	3 404 355
Repairs and maintenance	189 624	102 009	-	-
Subscriptions and Membership fees	3 662 892	3 683 048	3 662 892	3 683 048
Postage and Telecommunication costs	10 841 254	9 886 449	10 342 191	9 409 420
Travelling Costs	20 927 716	20 015 189	20 726 389	20 000 089
Rates and Electricity	35 759 027	25 736 490	35 554 293	25 410 801
Sheep Incubation	142 869	692 914	-	-
Catering	2 855 430	4 098 690	2 855 430	4 098 690
Conferences and Seminars	1 299 043	2 750 746	1 272 458	2 750 746
Indigent Support	2 555 487	1 492 960	2 555 487	1 492 960
Accommodation	8 366 519	5 422 474	8 259 304	5 389 750
Other expenses	10 714 905	12 299 880	10 714 905	12 299 880
	206 776 703	**163 549 143**	**190 182 243**	**154 169 771**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

41. Cash generated from operations

Surplus	**542 604 441**	**576 102 867**	**540 216 978**	**567 016 237**
Adjustments for:				
Depreciation and amortisation	120 568 551	105 252 397	120 190 809	104 888 091
Loss on sale of assets and liabilities	1 463 418	1 110 133	1 463 418	1 110 133
Actuarial gains	(235 574)	(1 373 754)	(235 574)	(1 373 754)
Asset donation	(1 396 610)	7 266	(1 396 610)	7 266
Fair value adjustments	-	(3 000)	-	-
Interest on long term investment	-	(703 500)	-	(703 500)
Impairment loss (reversal)	710 790	(83 176)	710 790	-
Debt impairment	11 217 382	13 404 022	11 217 382	13 404 022
Movements in operating lease assets and accruals	(16 035)	2 495	(16 035)	2 495
Employee benefits obligations	1 841 000	1 728 754	2 076 574	1 728 754
Movements in provisions	7 494 542	(343 032)	-	-
Movement in leave provision	-	6 446 704	7 716 362	6 446 704
Donation on PPE	-	-	-	-
Changes in working capital:				
Inventories	(1 379 397)	4 837 590	(1 379 397)	4 837 591
Receivables from exchange transactions	(18 116 754)	(24 884 403)	(18 116 754)	(24 970 654)
Other receivables from non-exchange transactions	(3 697 954)	8 913 241	(3 764 229)	9 090 348
Other Receivables (Deposits)	(91 940)	(174 110)	-	-
Payables from exchange transactions	114 335 726	(75 974 756	113 214 829	(74 487 777)
VAT	2 204 664	2 446 208	2 571 921	5 552 127
Unspent conditional grants and receipts	(14 026 437)	16 949 541	(11 921 171)	14 106 642
Changes in payables from non-exchange transactions	-	-	(937 735)	(911 357)
SARS Payable	-	(2 352 798)	-	-
	763 479 813	**631 308 689**	**761 661 385**	**625 811 679**

42. Financial instruments disclosure

Categories of financial instruments

Economic entity - 2024

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Financial assets

	At amortised cost	Total
Other non-current receivables from exchange	7 971 013	7 971 013
Other receivables from non-exchange transactions	4 407 763	4 407 763
Consumer debtors	69 210 169	69 210 169
VAT input accrual	23 565 811	23 565 811
Cash and cash equivalents	1 384 491 996	1 384 491 996
	1 478 255 195	**1 478 255 195**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	280 533 720	280 533 720
Payable from non-exchange	1 157 115	1 157 115
VAT output Accrual	17 284 827	17 284 827
Operating Lease Liability	209 989	209 989
	299 185 651	**299 185 651**

Economic entity - 2023

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

42. Financial instruments disclosure (continued)

Financial assets

	At amortised cost	Total
Other non-current receivables from exchange	7 879 073	7 879 073
Other receivables from non-exchange transactions	709 809	709 809
Consumer debtors	62 310 797	62 310 797
VAT input accrual	11,323,724	11,323,724
Cash and cash equivalents	1 116 615 348	1 116 615 348
	1 198 838 751	**1 198 838 751**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	165 594 328	165 594 328
Payable from non-exchange transactions	2 094 850	2 094 850
VAT Output Accrual	13,472,637	13,472,637
Operating Lease Liability	226 024	226 024
	181 387 839	**181 387 839**

Controlling entity - 2024

Financial assets

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	At amortised cost	Total
Trade and Receivables from exchange transactions	69 210 169	69 210 169
Non-current receivables from exchange transactions	7 971 013	7 971 013
Receivables from non-exchange transactions	4 296 931	4 296 931
VAT input accrual	23 470 972	23 470 972
Cash and cash equivalents	1 376 547 875	1 376 547 875
	1 478 160 356	**1 478 160 356**

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	278 030 500	278 036 994
Payable non-exchange transactions	1 157 115	1 157 115
VAT Output Accrual	17,284,827	17,284,827
Operating lease liability	209 989	209 989
	296,682,431	**296,682,431**

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Controlling entity - 2023

Financial assets

	At amortised cost	At cost	Total
Non-current Investments	10 838 087	-	10 838 087
Unlisted Investments	-	100	100
Trade Receivables from exchange transactions	62 310 797	-	62 310 797
Receivables from non-exchange transactions	532 702	-	532 702
Cash and cash equivalents	1 110 225 379	-	1 110 225 379
VAT Input Accrual	11,219,969		11,219,969
	1 195 126 934	**100**	**1 195 127 034**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	164 722 338	164 722 338
Payables from non-exchange transactions	2 094 850	2 094 850
VAT Output Accrual	13,472,637	13,472,637
Operating lease liability	226 024	226 024
	180,565,849	**180,565,849**

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

43. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Property, plant and equipment	880,649,137	661 388 894	880,649,137	661 388 894
Total capital commitments				
Already contracted for but not provided for	880,649,137	661 388 894	880,649,137	661 388 894

Total commitments

Total commitments				
Authorised capital expenditure	880,649,137	661 388 894	880,649,137	661 388 894

This committed expenditure relates to plant and equipment and will be financed by available bank facilities, government grants, and internally generated funds.

Operating leases - as lessee (Buildings)

Minimum lease payments due				
- within one year	598 216	548 777	598 216	548 777
- in second to fifth year inclusive	521 530	1 119 746	521 530	1 119 746
	1 119 746	**1 668 523**	**1 119 746**	**1 668 523**

Operating lease payments represent rentals payable by the economic entity for office properties in Matatiele and Cederville.

Rental expenses relating to operating leases				
Minimum lease payments	-	-	-	-

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

44. Contingencies

Contingent Liabilities	2024	2023	2024	2023
1) Sinezipho Urban and Rural Development vs ANDM. Claim against the Municipality for alleged termination of contract. The Municipality is defending the matter.	1 544 713	1 544 713	1 544 713	1 544 713
2) Moko vs ANDM. Letter of demand received in lieu of specialist consultancy services rendered. The Municipality is defending the matter.	375 927	375 927	375 927	375 927
3) Supa Brick Tile vs ANDM: Claim for payment of outstanding balance for building material supplied as per cession agreement.	127 782	127 782	127 782	127 782
4) Natal Joint Municipal Pension Fund vs ANDM: Claim for payment of outstanding fund contribution	147 937	147 937	147 937	147 937
5) Sikhokele Maphukatha vs ANDM: Claim for repudiation of employment contract	6 600 000	6 600 000	6 600 000	6 600 000
6) Arule Security vs ANDM :Claim for payment outstanding for services rendered.	1 392 679	1 392 679	1 392 679	1 392 679
7) Umso Construction vs ANDM- Claim for services rendered.	5 390 148	5 390 148	5 390 148	5 390 148
8) Yongama Gxumisa vs ANDM-Claim for repudiation of employment agreement.	5 000 000	5 000 000	5 000 000	5 000 000
9) Ntabankulu Regional Bulk Consultants vs ANDM- Alleged breach of contract	1 281 470	1 281 470	1 281 470	1 281 470
10) Sokhani Development vs ANDM- Claim for services rendered (Settled)	-	19 505 211	-	19 505 211
11) Ntabankulu Regional Bulk Consultants vs ANDM- Alleged breach of contract	-	2 215 549	2 215 549	2 215 549
12) Royal Haskoning vs ANDM - Alleged breach of contract	1 259 500	-	1 259 500	-
13) Emil Volscheck vs ANDM Accident claim	194 795	-	194 795	-
14) Kaka vs ANDM - Ex employee's claim for damages against the Municipality	2 100 000	-	2 100 000	-
15) Deedscon Consulting vs ANDM - Claim for services rendered	4 699 196	-	4 699 196	-
16) FBBI Solutions where the complainant is suing ANDA for termination of contract.	762 250 000	762 250 000	-	-
17) NJ Madikizela - Claim for services rendered	1 500 000	1 500 000	-	-
18) Doronite (Pty) Ltd - Plaintif is claiming for alleged goods and services rendered	989 669	989 669	-	-
	794 853 816	**808 321 085**	**32 329 696**	**43 581 416**

Contingent assets

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	2024	2023
1. ANDM vs MP Civils: Failure to deliver a crawler sprinkler.	-	30 700
2. Lwanik Group - breach of contract	-	236 280

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

45. Prior-year adjustments (continued)

Statement of financial position as at 30 June 2023

Economic entity - 2023

	Note	As previously reported	Correction of error	Restated
Inventories		14 827 776	-	14 827 776
Receivables from non-exchange transactions		709 809	-	709 809
Receivables from exchange transactions		62 310 797	-	62 310 797
Cash and cash equivalents		1 116 682 273	(66 925)	1 116 615 348
VAT input accrual		25 645 856	(14,322,132)	11 323 724
Statutory Receivables (VAT receivable)		-	-	28 180 874
Property Plant & Equipment		5 432 921 751	(5,910,038)	5 427 011 713
Intangible Assets		8 041 715	1 523	8 043 238
Investments in controlled entities		283 000	-	283 000
Heritage assets		131 100	-	131 100
Investments		10 838 087	-	10 838 087
Other non-current receivables		7 879 073	-	7 879 073
VAT output Accrual		-	(13 472 638)	(13 472 638)

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Loss on disposal of assets	1 110 133	-	-	1 110 133
(deficit) Surplus for the year	**(588 457 518)**	**12 403 476**	**-**	**(827 603 693)**

	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

45. Prior-year adjustments (continued)

Prior period error

The following adjustments were done to the prior year annual financial statements after discovery that there were some errors. The objective was to ensure that all the expenditure and assets are reported correctly in the relevant accounting period. An adjustment on legal costs and contracted services amounted to R265 336 and R 1 744 682, respectively. The general expenditure were also adjusted by R 2,858,815, VAT by R 386,105 and Accruals by R 3 411 896. Employee related costs also increased by R 686 877 and R833 468 due an increment that was only approved after year end.
The Municipality implemented the asset management module and on recalculation of depreciation it resulted in an increase in the depreciation expense of R 5 895 448 and there was reassessment of useful lives of assets. The adjustment resulted in a reduction in the book value of the property, plant and equipment by R 5 866 710

Commitments were adjusted by R 12 801 681 due to an error picked up in appointment of one of the projects.

Irregular expenditure had to be adjusted by R 526 467 on expenditure incurred in the prior year. VAT

VAT was also split and reclassified in order to comply with the requirements of GRAP 104 and 108, Financial instruments and statutory receivables.

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46. Risk management

Financial risk management

The economic entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The economic entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the economic entity's financial performance.

Liquidity risk

Liquidity risks is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

30 June 2024	Payables within 1 year	Payables after 5 years	Payables after 5 years	Total
Payables from exchange transactions	280 533 720	13 093 000	-	293 626 720

30 June 2023	Payables within 1 year	Payable in 2 to 5 years	Payables after 5 years	Total
Payables from exchange transactions	165 594 328	10 955 000	-	176 549 328

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

46. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. .

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	Economic entity - 2024	Economic entity - 2023	Controlling entity - 2024	Controlling entity - 2023
Investments	-	10 838 087	-	10 838 087
Receivables from exchange transactions	69 210 169	62 310 739	69 210 169	62 310 739
Receivables from non-exchange	4 407 763	709 809	4 262 131	532 702
Cash and cash equivalents	1 384 491 996	1 116 615 348	1 376 547 875	1 110 225 379

The municipality holds investments at reputable banks that are listed on the JSE.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

Receivables

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas of the district. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due to the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors, the municipality effectively has the right to terminate services to customers, but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, council endeavours to collect such accounts by "levying of penalty charge", applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be past due. Refer to note 6 for more information regarding the provision for Impairment raised against each service type as well as receivables considered to be past due.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are considered past due (more than 30 days outstanding

Water	161 154 359	147 618 708	161 154 359	147 618 708
Sewer	26 888 569	24 849 351	26 888 569	24 849 351
Sundries	1 320 658	1 334 107	1 320 658	1 334 107
	189 363 586	**173 802 166**	**189 363 586**	**173 802 166**

Long Term Receivables are disclosed after taking into account any provision for impairment raised against the outstanding balance. Each outstanding balance is individually assessed for impairment.

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

46. Risk management (continued)

No receivables were pledged as security for liabilities and no collateral held from any of the counterparties.

Market risk

Interest rate risk

Interest Rate Risk is the risk that the fair value of future cashflows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Financial assets and liabilities that are sensitive to Interest Rate Risk are cash equivalents, Investments, and loan payables. The municipality is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rates.

Potential concentrations of interest rate risk consists mainly of fixed deposits investments, long term debtors, other debtors, short term Investments deposits and bank and cash balances.

The municipality limits its counterpart exposures from its money market investments operations by only dealing with well established financial institutions of high credit standing. The credit exposures to any single counterpart is managed by setting percentage exposure limits, which are included in the municipality's investment policy. These limits are reviewed periodically by the Chief Financial Officer and authorised by the Council.

The following balances are exposed to interest rate fluctuations:

Cash and cash equivalents	1 384 491 996	1 116 615 348	1 376 547 875	1 110 225 379
Non-current and current Investments	-	10 838 087	-	10 838 087
Net Balance Exposed	**1 384 491 996**	**1 127 453 435**	**1 376 547 875**	**1 121 063 466**
Potential effect of changes in Interest rates on surplus and deficit to the year/period				
	13 844 919	11 274 534	13 765 478	11 210 635
	(13 844 919)	(11 274 534)	(13 765 478)	(11 210 635)
	-	-	-	-

SENSITIVITY ANALYSIS:

Financial Assets

At 30 June 2024, if the weighted average interest rate had been 100 points basis higher, with all other variables held constant, the fair value impact on the financial performance would have been R 13 844 919 with the opposite effect if the interest rate had been 100 points basis lower. The sensitivity analysis would be performed by dividing the total Investment Interest earned for the year by the average Interest rate earned to give the effect of a one percent movement in Interest rates.

Financial Liabilities

Changes in the interest rates as at 30 June 2024 would have had no impact on the statement of financial performance, as the municipality has no borrowings.

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

46. Risk management (continued)

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Price risk

Price Risk (Market Risk)

Other price risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market

The municipality is not exposed to any other price risk.

47. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	105 531 567	251 995 664	68 338 207	214 802 304
Fruitless and wasteful expenditure	7 091 906	21 624 647	1 177 132	18 250 096
Closing balance	**112 551 473**	**273 620 311**	**69 515 339**	**233 052 400**

48. Fruitless and wasteful expenditure

Opening balance as previously reported	21 624 647	21 567 458	18 250 096	18 250 096
Add: Fruitless and wasteful expenditure identified - current	2 468 223	57 189	-	-
Less: Amount written off - prior period	(17 072 964)	-	(17 072 964)	-
Closing balance	**7 019 906**	**21 624 647**	**1 177 132**	**18 250 096**

After the council committee investigations, council adopted the council committee recommendation to write-off an amount of R 17 072 964 from fruitless and wasteful expenditure reported and incurred in the previous financial years. The balance on fruitless and wasteful expenditure is still under investigation. Fruitless and wasteful expenditure presented is inclusive of VAT.

The entity incurred fruitless expenditure of R2 468 223 in the current year, included in there is the R2 468 223, a penalty from SARS. The entity has appealed and are now awaiting the results of the appeal.

49. Irregular expenditure

Opening balance as previously reported	251 995 664	355 092 992	214 802 304	318 363 161
Add: Irregular expenditure - current	6 388 977	1 415 623	6 388 977	952 094
Add: Irregular expenditure - prior period	-	33 000 037	-	33 000 037
Less: Amount written off - prior period	(152 853 074)	(137 512 988)	(152 853 074)	(137 512 988)
Closing balance	**105 531 567**	**251 995 664**	**68 338 207**	**214 802 304**

Cases under investigation

Expenditure on cases related to non-compliance with procurement process requirements amounted to R 68 338 207 which is still under investigation. Included in this amount is an amount of R6 388 977, incurred in the 2023/2024 financial year by the municipality, as a result of awarding two tenders after expiry of the validity period and a non compliance with supply chain regulations. Irregular expenditure presented is inclusive of VAT.

Municipal Supply Chain Management Policies or Regulations	-	-	68 338 207	214 275 836

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	Economic entity		Controlling entity	
Figures in Rand	2024	2023	2024	2023

49. Irregular expenditure (continued)

Amount written-off

After the council committee investigations, council adopted the council committee recommendation to write-off an amount of R 152 853 074 from irregular expenditure reported and incurred in the previous financial years. The balance on irregular expenditure is still under investigation.

Recoverability steps taken/criminal proceedings

The criminal case levelled against some of the municipal officials and a service provider for alleged contravention of the SCM regulations on procurement of municipal fleet, trucks in 2014, is still on going.

50. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next Council meeting after approval by the accounting officer and includes a note to the consolidated annual financial statements.

SCM processess could not be followed				
Impractical to follow SCM procedures, urgent matters	-	5 800 321	7 853 190	4 762 081
Emergency	-	4 922	-	-
Sole supplier	-	15 453	-	-
	-	**5 820 696**	**7 853 190**	**4 762 081**

51. Awards to close family members of persons in the service of the state

The following persons whose close family members are in the employ of the state had contracts with the Municipality.

Name of the Service Provider and Type of service	Person with the relationship	Type of relationship	Person in employ of the state	Employer state	Contract Amount / Annual cost
MUNSOFT - Financial System	Director: Ndiafhi Rerani	Spouse	Marry Rerani	Department of Justice	SLA
MUNSOFT - Financial System	Manager: Nkululeko Nondzaba	Mother	Magdalene Nondzaba	Bojanala District Municipality	SLA
Guyana Trading (Pty) Ltd - Construction	Director: Bongani Xolo	Brother	NR Xolo	Alfred Nzo District Mun	R1 093 309
Imvu Group (Pty) Ltd - Construction	Director: Xolani Masiza	Spouse	Noluthando Masiza	Ndlambe Local Municipality	R 85 928 223

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Suppliers paid after 30 days

During the year, the economic entity did not always comply with the provisions of section 65(2)(e) of the MFMA which requires that all payments be reasonably made within 30 days. This is due to inappropriate documentation, invalid banking details and delays in processing of DWS claims. The total amount of such invoices not paid within 30 days is R1 953 218.

Expenditure for accommodation paid in advance

The municipality introduced cost containment measures and has not been using the services of a travel agency for accommodation, this led to some of the accommodation costs included in the reported total amount of R8 259 304 being paid before councillors or employees check in for accommodation, using quotations as opposed to invoices.

52. Additional disclosures in terms of Municipal Finance Management Act

Contributions to organised local government				
Current year subscription	3 412 368	3 494 534	3 412 368	3 494 534
Amount paid for current year	(3 412 368)	(3 494 534)	(3 412 368)	(3 494 534)
	-	-	-	-
Audit fees				
Current year subscription / fees	7 113 411	9 116 532	6 059 369	8 064 490
Amount paid for current year	(7 113 411)	(9 116 532)	(6 059 369)	(8 064 490)
	-	-	-	-
PAYE, UIF and SDL				
Current year subscription / fees	49 238 165	4 908 123	52 757 072	46 365 374
Amount paid for current year	(49 238 165)	(4 908 123)	(52 757 072)	(46 365 374)
	-	-	-	-
Pension and Medical Aid deductions				
Current year subscription / fees	62 010 908	56 974 619	61 452 963	56 053 215
Amount paid for current year	(62 010 908)	(56 974 619)	(61 452 963)	(56 053 215)
	-	-	-	-

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53. Related parties

Salaries and Allowances of key management.

The remuneration of Councillors, Directors and the Municipal Manager is disclosed in note 30 and 31.

ANDA BOARD MEMBERS		2024	2023
Ms N. Mabude (Chairperson)		158 500	75 599
Ms F. Maqwathi		72 000	73 000
Ms I. Magaga		63 000	58 500
Ms N. Matoti		58 500	-
Mr. N. Vimba		81 000	39 445
Mr. O. Sangoni	(S&T allowance)	4 276	-
		437 276	**246 544**

Compensation to Chief Financial Officer and other key management from ANDA

Chief Financial Officer	1 252 069	1 560 409	-	-
Acting CEO - Mr N Xolo (from 01 July 2023 to 29 Feb 2024	149 205	-	-	-
Chief Financial Officer	1 098 518	1 324 330	-	-
Executive Manager: Corporate Services	-	1 324 330	-	-
Executive Manager: Programmes	1 324 188	1 335 133	-	-
	3 823 980	**5 544 202**	**-**	**-**

54. Subsequent Events

Suspension of the Accounting officer

On the 30th October 2024, the Municipal Council converged and took a resolution to dismiss the Municipal Manager, Mr ZH Sikhundla. As at 30 June 2024, the financial year end, the disciplinary proceedings were still ongoing.

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