



**ZF MGCAWU
DISTRICT
MUNICIPALITY
DRAFT
ANNUAL
REPORT
2023/2024**

Vision

Quality support to deliver quality services

Mission

Centre of excellence in providing quality basic services through support to local municipalities

Core Values

- 1. Commitment to the development of people*
- 2. Integrity in the performance of our duty*
- 3. Respect for our natural resources*
- 4. Transparency in accounting for our actions*
- 5. Regularly consult with customers on the level and quality of services*
- 6. Ensure higher levels of courtesy and professionalism in the workplace*
- 7. Efficient spending and responsible utilization of municipal assets*

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LIST OF ABBREVIATIONS

AC	Audit Committee
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AO	Accounting Officer
AG Report	Auditor General's Report
AQO	Air Quality Officer
BBBEE	Broad-Based Black Economic Empowerment
BTO	Budget and Treasury Office
CFO	Chief Financial Officer
COA	Certificate of Acceptability
COC	Code of Conduct
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs
CLLR	Councillor
CSD	Central Supplier Database
DDM	District Development Model
DEDaT	Department of Economic Development and Tourism
DHIS	District Health Information System
DORA	Division of Revenue Act 2 of 2013
DPSA	Department of Public Service and Administration
DSBD	Department of Small Business Development
DSI	Department of Science and Innovation
DTI	Department of Trade and Industry
EHP	Environmental Health Practitioner
EHS	Environmental Health Services
EPWP	Extended Public Works Programme

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ETC.	Et Cetera
FAR	Fixed Asset Register
FETC	Further Education and Training
FTE	Full-Time Equivalent (s)
GRAP	Generally Recognized Accounting Practice
GRMS	Gravel Roads Management System
HDI	Historically Disadvantaged Individuals
HSRC	Human Sciences Research Council
ICC	International Convention Centre
ID	Identity Document
IDP	Integrated Development Plan
IDP Rep Forum	IDP Representative Forum
IGR	Intergovernmental Relations
ICT	Information and Communication Technology
IT	Information Technology
IMIS	Integrated Municipal Information System
KPI	Key Performance Indicators
LDA	Land Development Applications
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LR	Labour Relations
LUPO	Land Use Planning Ordinance
LUS	Land Use Scheme
MBD	Municipal Bid Documents
MFMA	Municipal Finance Management Act, 56 of 2003
MM	Municipal Manager
MoU	Memorandum of Understanding

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MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act, 32 of 2000
mSCOA	Municipal Standard of Charts Accounts
NCPT	Northern Cape Provincial Treasury
NEMA	National Environment Management Act
NEMWA	National Environmental Management: Waste Act, No 59 of 2008.
NDP	National Development Plan
NQF	National Qualifications Framework
Nr.	Number
OHS	Occupational Health and Safety
PAYE	Pay As You Earn
PGDP	Provincial Growth and Development Plan
PMS	Performance Management System
PPP	Public-Private Partnerships
PSDF	Provincial Spatial Development Framework
PMU	Project Management Unit
RED	Regional Economic Development
RISFSA	Road Infrastructure Strategic Framework for South Africa
RRAMS	Rural Roads Asset Management System
SARS	South African Revenue Services
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SALGA	South African Local Government Association

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SMART	Specific, Measurable, Achievable, Relevant, and Time-Bound
SMME	Small, Micro and Medium Enterprises
SPLUMA	Spatial Planning and Land Use Management Act
SAPS	South African Police Service
STR	Small-Town Regeneration
TIA	Technology Innovation Agency
TREP	Township and Rural Entrepreneurship Programme
UCT	University of Cape Town
VAT	Value-Added Tax
WIL-FIN	Work Integrated Learning-Finance
WIL-HR	Work Integrated Learning-Human Resource
ZFM DM/ ZFM	ZF Mgcawu District Municipality

CHAPTER 1

EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A EXECUTIVE MAYOR'S FOREWORD



Cllr M.C. Basson

Executive Mayor

It is with great pleasure that I present the Draft Annual Report of the ZF Mgcawu District Municipality for the 2023/2024 financial year. This Report reflects our ongoing commitment to transparency, accountability, and service excellence as we work to meet the needs of our communities and fulfil our mandate as a District Municipality.

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The past year has been a period of both challenges and achievements. We have made significant strides in advancing our strategic objectives, focusing on sustainable development, good governance, and effective service delivery. Despite the difficulties posed by economic constraints and other external factors, our Municipality has remained resilient and determined to improve the lives of our people.

Central to our success has been our commitment to collaborative governance. We recognize that true progress can only be achieved through the active participation of all stakeholders—government, community members, and Non-Governmental Organizations. By working together, we have been able to harness diverse perspectives and resources, enabling us to address the most pressing issues facing our District.

This Draft Annual Report provides an overview of our key accomplishments, financial performance, and the impact of our initiatives over the past year. It also outlines the challenges we have faced and the lessons we have learned, which will inform our strategies moving forward. Our aim is to ensure that every decision we make and every action we take is guided by our core values of integrity, inclusivity, and accountability. The oversight role played by our Council, supported by the Municipal Public Accounts Committee, has been instrumental in ensuring that our administration adheres to the principles of good governance. Their vigilance has been crucial in maintaining the high standards we set for ourselves and in holding us accountable to the people we serve.

As we look ahead, we remain committed to the continuous improvement of our services and the well-being of our communities. We will continue to build on our achievements, address our challenges head-on, and work tirelessly to create a District Municipality that is inclusive, prosperous, and sustainable for all. I would like to extend my heartfelt thanks to all the Councillors, the Mayoral Committee, and the Municipal Public Accounts Committee for their unwavering support and dedication. I also wish to express my deep appreciation to the Management and Staff for their hard work and commitment throughout the year. Together, we will continue to strive towards excellence in serving our District.

I also wish to express my sincere gratitude to the External Audit Committee for their invaluable guidance and oversight during the year under review. Their diligent efforts have been instrumental in ensuring that our operations are aligned with the highest standards of accountability and

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governance. Let us move forward with determination and a shared vision for the future, confident that our collective efforts will lead to even greater successes in the year ahead.

Signed by:  _____

Councillor M.C. Basson

Executive Mayor

30 August 2024

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COMPONENT B

EXECUTIVE

SUMMARY

1.1 ACTING MUNICIPAL MANAGER'S OVERVIEW



Mr A.K. Tieties

Acting Municipal Manager

As the Acting Municipal Manager of the ZF Mgcawu District Municipality, I am pleased to present the Draft Annual Report for the 2023/2024 financial year. This Draft Annual Report provides a comprehensive overview of our performance, achievements, and the challenges we faced during the year under review. It serves as a testament to our commitment to good governance, effective service delivery, and the sustainable development of our District.

The 2023/2024 financial year has been one of both progress and learning. The financial health of the Municipality continues to be a priority. We have maintained sound financial management practices, ensuring that our resources are utilized efficiently and effectively. The Draft Annual Report reflects our efforts to achieve fiscal discipline while achieving our goals with the limited resources we have.

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The ZF Mgcawu District Municipality is proud to have obtained its 10th Clean Audit for the 2022/2023 financial year. This achievement underscores our commitment to good governance, sound financial management, and the strength of our leadership and administrative structures. It is a testament to the hard work and dedication of our Council and Administration, demonstrating that a stable and well-functioning Municipality can achieve remarkable results. These achievements are a direct result of the collaborative efforts between our administration, the Council, and our communities. We have also placed a strong emphasis on accountability, with the Council and the Municipal Public Accounts Committee playing a vital role in overseeing our operations.

Despite our success, the poor audit outcomes of many Local Municipalities within our District highlight ongoing challenges in reaching the expected standards of financial management and building public confidence in the government's use of resources. These struggles are particularly evident in Municipalities with weak revenue bases, which are heavily reliant on the Municipal Infrastructure Grant and Equitable Share funding allocations. Unfortunately, these allocations are often insufficient to ensure universal access to adequate services, making it difficult for poorer and smaller Municipalities to deliver optimal services.

As a result, many Local Municipalities are unable to effectively translate their Integrated Development Plans (IDPs) into actionable socio-economic programs that benefit their communities. Another significant challenge is the shortage of necessary skills within our Local Municipalities. A large number of Municipalities lack the managerial, administrative, financial, and institutional capacity to meet the growing needs of their local populations. This scarcity of specialized skills severely limits their ability to render efficient and effective services.

The ZF Mgcawu District Municipality is committed to providing quality support to our Local Municipalities to ensure that they can deliver the quality services their communities deserve. This commitment aligns with our vision and the requirements set out in Section 83(c) of the Municipal Structures Act. While we celebrate our Clean Audit, we recognize that our success must extend to the Local Municipalities we support. It is imperative that we work together to build the capacity of our Local Municipalities, enabling them to improve service delivery and enhance accountability to the communities they serve.

I wish to extend my sincere appreciation to the Council, the Mayoral Committee, and the Municipal Public Accounts Committee for their unwavering support and oversight. I also express

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my deepest gratitude to the Management Team and all our staff members for their dedication, hard work, and commitment to the vision of the ZF Mgcawu District Municipality.

I also wish to express my sincere gratitude to the external Audit Committee for their guidance and oversight role. Their contributions have been instrumental in upholding our commitment to accountability and good governance.

Together, we will continue to build a District Municipality that is responsive, accountable, and committed to the well-being of all its residents.

Signed by: 

Mr A.K. Tieties

Acting Municipal Manager

30 August 2024

1.2 MUNICIPAL FUNCTIONS AND ENVIRONMENTAL OVERVIEW



The ZF Mgcawu District Municipality (previously known as Siyanda District Municipality) is a Category C Municipality forming the mid-northern section of the Northern Cape Province, bordering with Botswana in the north and Namibia in the west.

It makes up just under a third of the province's geographical area, of which 65 000km² comprise the vast Kalahari Desert, Kgalagadi Transfrontier Park and the former Bushmanland. This District comprises of five Local Municipalities: Dawid Kruiper, Kai !Garib, Tsantsabane, !Kheis and Kgatelopele. Upington is the District's municipal capital, where the municipal government is located. The ZF Mgcawu District Municipality comprises of the following major towns: Beeshoek, Brandboom, Danielskuil, Eksteenskuil, Groblershoop, Kakamas, Keimoes, Kenhardt, Lime Acres, Mier, Postmasburg, Rietfontein, Upington. Agriculture, mining and tourism make up the main economic sectors in the District.

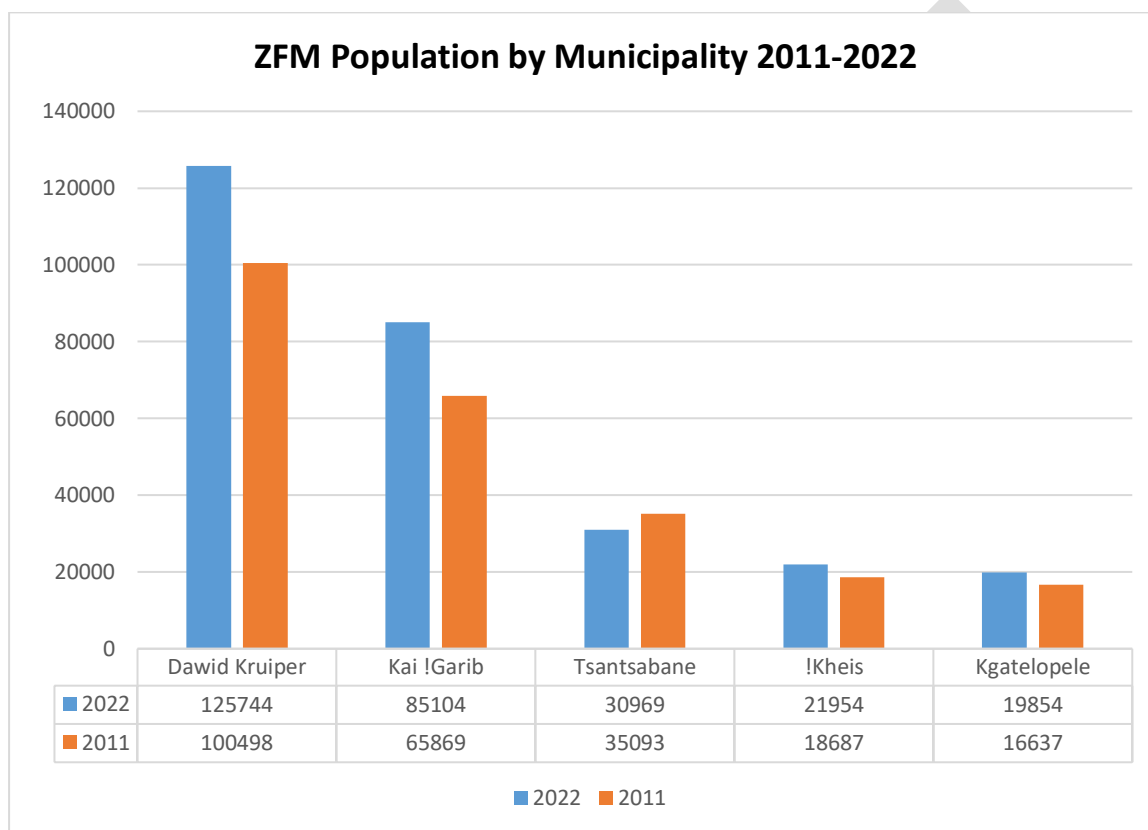
The ZF Mgcawu District Municipality has a Constitutional mandate to amongst others provide a democratic and accountable government for local communities, ensure the provision of services to communities in a sustainable manner and encourage the involvement of communities and community organizations in the matters of Local Government.



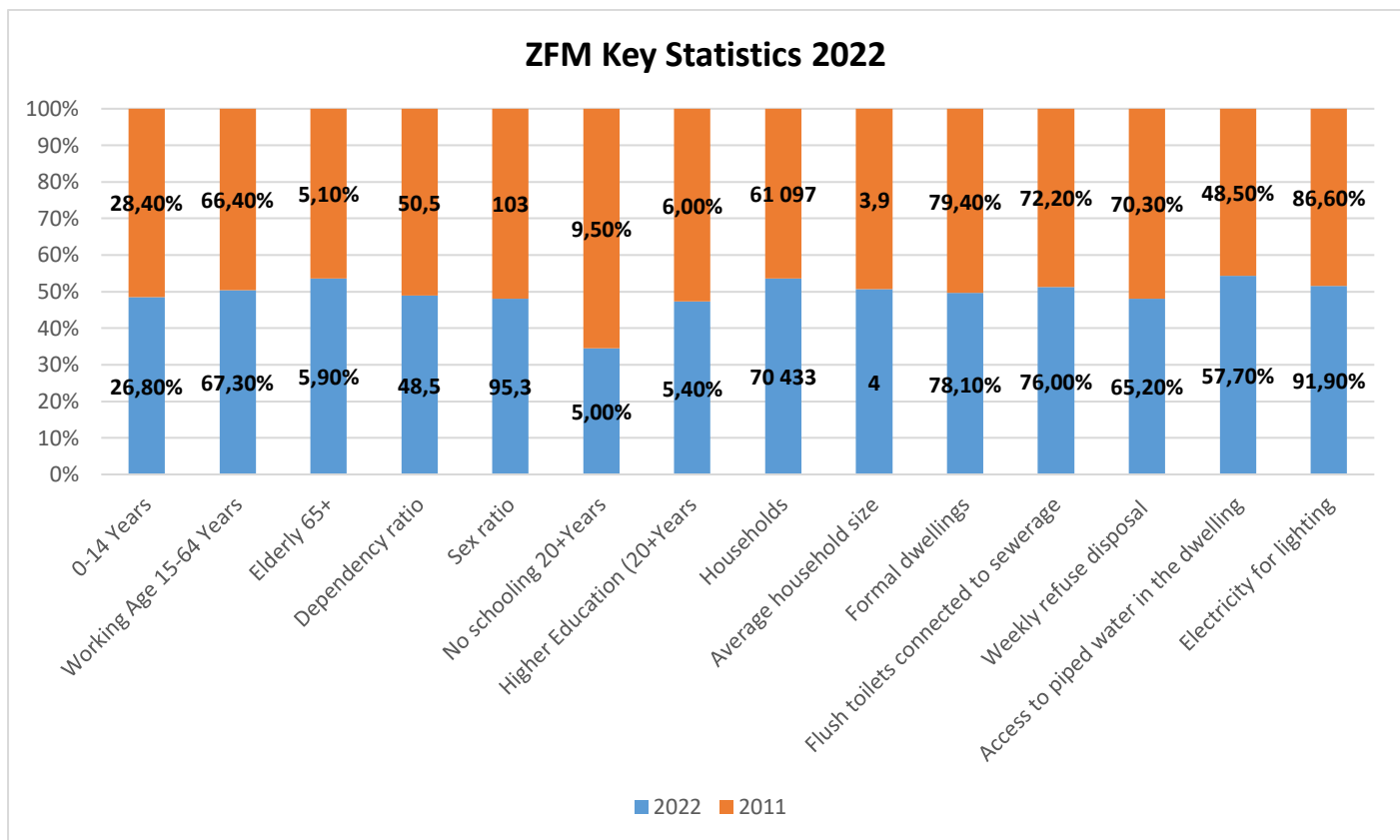
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Local Municipality	Logo
<p>Dawid Kruiper Municipality was established by the amalgamation of the Mier and //Khara Hais Local Municipalities in August 2016. It consists of small towns and the !Khomani San community within its jurisdiction. Rietfontein, which is one of the main towns, is situated approximately 280km north-west from the nearest big town of Upington. Natural boundaries provide a unique aspect to the town – one is the Kalahari Desert and another is the Orange River, South Africa's largest river, which it straddles.</p>	 <p>Dawid Kruiper Local Municipality</p>
<p>Kai !Garib Municipality is the second-largest of the five municipalities that make up the District based on the Census of 2022. It is characterized by its unique landscape, with the Kalahari Desert on the one side and the Orange River on the other side. This area consists of three large towns: Kakamas, Keimoes and Kenhardt.</p>	 <p>Kai !Garib Local Municipality</p>
<p>The !Kheis Municipal Area was initially inhabited by the Khoisan people, who were also the first permanent inhabitants of South Africa. The San, who lived a nomadic life, migrated through the area. !Kheis is a Khoi name meaning 'a place where you live' or 'your home'.</p>	 <p>!Kheis Local Municipality</p>
<p>The Kgatelopele Municipality was formerly known as Danielskuil Municipal District or Area. It is bordered by the John Taolo Gaetsewe District in the north, the Pixley ka Seme District in the south, the Frances Baard District in the east, and Tsantsabane in the west. It is the smallest of the five municipalities that make up the district, accounting for only 2% of its geographical area.</p>	 <p>Kgatelopele Local Municipality</p>
<p>The Tsantsabane Municipality is known for being rich in minerals, and for its mining, agriculture, manufacturing and farming sectors. Tsantsabane Municipality has reinvented itself over the years as one of the leading investment hot spots in the Northern Cape.</p>	 <p>Tsantsabane Local Municipality</p>

1.2.1 POPULATION



The graph above shows an increase in the population of ZF Mgcau District Municipality over the period 2011 to 2022. The population of the ZF Mgcau District Municipality has increased from 236 783 to 283 624 in 2022 with an increase of 46841 in population over the period 2011 to 2022. Dawid Kruiper Local Municipality is ranked first in terms of population size and the Kgatelopele Local Municipality has the smallest population size of the five Local Municipalities in the ZFM District.



The working age population (15-64 years) has increased from 66,4% to 67,3% from year 2011 to 2022 for the District Municipality. This is further reflected that the number of households with formal dwellings decreased from 79,4% to 78,1% in 2022. The total number of households that have access to piped water (either inside the dwelling or yard) increased from 48,5% to 57,7% in 2022. The total number of households that had access to electricity as a main source of lighting increased from 86,6% to 91,9% in 2022.

The total number of households in the District Municipality with access to flush toilets increased to 76,0% in 2022 from 72,2% in 2011. This indicates a huge improvement in the provision of basic services to the people. We have also improved the quality of public education and all indicators is showing that the proportion of persons with no education or no schooling (20+ years) has improved by declining from 9,5% to 5,0% in 2022; this represents the largest increase of attendance at schools in the District Municipality.

1.3 SERVICE DELIVERY OVERVIEW

The administrative component of the ZF Mgcawu District Municipality is headed by the Acting Municipal Manager, who has three Directors reporting directly to him in terms of Section 56 of the Local Government: Municipal Systems Act, No. 32 of 2000. The administrative arm of the District Municipality is comprised as follows:

Office of the Municipal Manager

The Acting Municipal Manager as head of administration is responsible for the policy direction of the Council and is accountable for:

- The formation and development of an economical, efficient, effective and accountable administration.
- Equipped to carry out tasks of implementing the Municipality's Integrated Development Plan in accordance with Chapter 5 of the Local Government: Municipal Systems Act of 2000.
- Operate in accordance with the Municipality's Performance Management System in accordance with Chapter 6 of the Local Government: Municipal Systems Act of 2000.
- Responsible for the management of the District Municipality's administration in accordance with the Local Government: Municipal Systems Act of 2000 and other legislation applicable to the municipality.
- Advising the Council and the political office bearers of the District Municipality.
- Managing communication between the District Municipality's administration and its political structure and political office bearers.
- Exercise of any powers and performance of any duties delegated by the Municipal Council, or sub-delegating authorities of the Municipality to the Acting Municipal Manager in the Local Government: Municipal Systems Act of 2000.

Department of Corporate Services

The objectives of the Department of Corporate Services are amongst others:

- To ensure that the administration of the District Municipality is running smoothly, that all administrative and legal processes and prescripts are complied with.
- To provide sufficient and a proper Human Resource function, appoint the necessary staff and ensure proper training and functioning.
- To ensure that the property portfolio of the Municipality is properly administered, and maintained and that all related matters are being dealt with.
- Planning, design, procurement, implementation, management and maintenance of municipal information and communication technology network infrastructure.
- To ensure that proper Labour Relations, Communication and Customer Care are practiced in the workplace.
- To ensure that all legal matters and legal compliance are attended to, that all contracts, Tenders and documentation comply with legislative procedures and to provide legal advice where needed.
- To ensure that service of high quality, standards and professionalism is rendered by the Department.
- To ensure that administration support of high quality is rendered to the Council using agendas, minutes and the implementation of the Council resolutions.
- To provide a sufficient and proper Archive Service.
- Labour Relations & Occupational Health & Safety, Cleaning and Security Services

Department of Planning and Development

The objectives of the Planning & Development Department are amongst others:

- To provide strategic direction and leadership and monitor the implementation of strategic objectives of the department;
- To plan and prioritize the Department in accordance with the relevant Municipal Legislation and Policies.

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- To take overall responsibility for leading and directing Town Planning & Housing; Environmental Health; Disaster Management, PMU; LED and Tourism services for the District Municipality.
- To ensure that key strategic objectives are achieved and services are rendered.
- To lead, direct and manage staff within the Department so that they can meet their objectives.
- To ensure cost-effective management of the Department's budget and timely implementation of the Council resolutions related to the department.
- To oversee the development and review of relevant policies and strategies on matters relating to the Department.
- To ensure that the activities of the Department are aligned to the IDP and facilitate performance management of the Department.

Department of Financial Services

The objectives of the Financial Services Department are amongst others:

- To render effective and efficient financial, budgeting and supply chain management services to the Accounting Officer in terms of the Municipal Finance Management Act 56 of 2003.
- To provide a Supply Chain Management System and procurement which is transparent, efficient and competitive, while ensuring best value for money for the District Municipality.
- To provide financial services to the Council, management and various external bodies in respect of year-end and in-year financial reporting, financial management, the operational and capital budget, managing cash flow and investments and implementing the Municipal Finance Management Act.
- To provide financial services to management and Council in respect of the salary budget process, the payroll, creditors' administration and financial administration of the Council's capital assets.

1.4 FINANCIAL HEALTH OVERVIEW

Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

Municipal Structures Act (1998), the Municipal Systems Act (2000) and the Municipal Finance Management Act (2003) sets out frameworks and key requirements for municipal operations, planning, budgeting, governance and accountability.

The deadlines set out in the MFMA for tabling and approving budgets are minimum compliance requirements. The budget must be tabled for consultation at least 90 days before the start of the financial year (1 July). The budget must be approved before the start of the financial year.

The Draft Budget for the 2023/2024 financial year of the ZF Mgcawu District Municipality was approved on the 27th of March 2023 and the Final Annual Budget was approved on the 31st of May 2023.

The ZF Mgcawu District Municipality experiences a going concern crisis as highlighted in the 2022/2023 Audit Report. To address the going concern crisis an Implementation Plan to improve from an unfunded to a funded budget has been developed and implemented to address the going concern matter. Cash Flow Reporting takes place on a bi-weekly basis to Senior Management. The Auditor-General identified that the Municipality's budget was unfunded for the 2023/2024, 2024/2025 and 2025/2026 financial years. The outcome of the cash back assessment from Northern Cape Provincial Treasury (NCPT) was negative for 2023/2024 as well as negative for the two outer years 2024/2025 and 2025/2026. Furthermore, Cash Flow challenges are experienced, as Cash Flow projections are compiled for the payment sequence of the Equitable Share which is the largest portion of our operational revenue source.

To ensure long-term financial viability, the District Municipality must explore alternative revenue streams, optimize its Employee cost structure, and implement effective financial management practices to reduce its dependence on grants and mitigate the risk of financial instability.

Political intervention and strategic direction is given to the municipal administration by the

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Executive Mayor of the ZF Mgcawu District Municipality to sustain the financial health.

The District Municipality submitted its 2022/2023 Annual Financial Statements to the Auditor-General for auditing on the 31st of August 2023 as required by Law. The financial health of the ZF Mgcawu District Municipality is deteriorating due to its high employee-related costs. Personnel costs are too high at an average of 66% of the total expenditure and this exceeds the national norm by far. Strategic plans to contain the high personnel costs were put in place.

The ZF Mgcawu District Municipality approved a Cost Containment Policy on 31 May 2023. Ratification measures have been done during the 2023/2024 financial year to address the high employee-related costs. The District Municipality has successfully contained employee-related costs by implementing a strategic freeze on filling vacant positions, resulting in a significant reduction in personnel expenses and this contributed to a more sustainable financial position.

The District Municipality received R1 073 702 from the National Treasury for Audit Fees. An Audit Recovery Plan for the 2023/2024 financial year was approved and implemented to ensure that the positive audit outcomes of the past years are maintained.

Alternative sourcing of funding and the attainment of projects by ZFMMDM is a high priority to address the shortage of funding that are legacy issues from past events and decisions which have been difficult to resolve. The District Municipality is currently in the process of developing and submitting a comprehensive business plan for the District Development Model.

The District Municipality has invested R500 000 annually as a Long-Term investment to increase the net assets/liabilities ratio on the Financial Position of the District Municipality.

The total Long-Term investment as at 30 June 2024 was R1 719 010. The ZFM budget is not fully funded, the main reason for this is the significant reliance on grant funding, which has been insufficient to cover the District Municipality's expenses. Additionally, the Municipality's own revenue generation efforts have been inadequate, resulting in a shortfall in funding.

Innovative strategic management is applied to better the financial health of the ZF Mgcawu District Municipality in the long term.

1.5 ORGANIZATIONAL DEVELOPMENT OVERVIEW

The Local Government: Municipal Systems Act 32 of 2000 intends to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilization and organizational change which underpin the notion of developmental Local Government and to provide a framework for Local Public Administration and Human Resource Development. Every Municipality, in terms of the Constitution and the Municipal Systems Act, Act 32 of 2000 and Municipal Staff Regulations, has to have a staff establishment reflecting the organizational design of the Municipality.

The organizational structure was approved by the Council on the 31st of May 2023 and as a living document, it continues to be amended as the need arises. The objectives of an organizational structure are to establish accountability, information flow, authority, and distribution of responsibilities. The organizational structure was approved to support efforts and initiatives to enhance the District Municipality's financial sustainability and efficient service delivery to the District Municipality. The District Municipality has successfully contained employee-related costs by implementing a strategic freeze on filling vacant positions, resulting in a significant reduction in personnel expenses and this contributed to a more sustainable financial position.

The Performance Management Framework guides the implementation of the Performance Management System for the District Municipality and shall serve as the official Performance Management Framework which informs the performance management process and practices. In terms of the capacity building of employees, our Workplace Skills Plan remains a key guiding document. The Workplace Skills Plan for the 2023/2024 financial year was drafted in line with the prescripts of the law and it was submitted and approved to the Local Government Sector Education and Training Authority (LGSETA) on the 30th of April 2024.

1.6 AUDITOR GENERAL'S REPORTS

The Auditor-General of South Africa has a Constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be a number of different outcomes to an audit, once the Municipality has submitted its Financial Statements to the Auditor-General, which can be simply defined as follow:

- **A Clean Audit:** The Financial Statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified Audit with findings:** The Financial Statements contain material misstatements. Unless we express a Clean Audit come, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified Audit opinion:** The Financial Statements contain material misstatements in specific amounts, or these insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse Audit Opinion:** The Financial Statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.

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The audit outcomes for the ZFM District Municipality for the last 3 financial years are as follows:

Year	2020/2021	2021/2022	2022/2023
Status	Clean Audit Unqualified Audit Opinion	Clean Audit Unqualified Audit Opinion	Clean Audit Unqualified Audit Opinion

The Auditor General's Report for the 2022/2023 financial year was released in November 2023. The 2022/2023 Audit Report is included in this report and can be found in Chapter 6 of this report. The ZF Mgcawu District Municipality received an Unqualified Audit Opinion for the 2022/2023 financial year. The Auditor General's Report for the 2023/2024 financial year will be included in Chapter 6 of this report once it becomes available.

1.7 STATUTORY ANNUAL REPORT PROCESS

Section 121(1) (2) and (3) of the Municipal Finance Management Act, 56 of 2003 determines as follows: "Every Municipality must for each financial year prepare an Annual Report. The Council must within 9 months after the end of the financial year deal with the Annual Report of a Municipality in accordance with section 129."

The purpose of an Annual Report is:

- to provide a record of the activities of the municipality during the financial year to which the Report relates to.
- to provide a report on performance against the budget of the municipality for that financial year.
- to promote accountability to the local community for the decisions made throughout the year by the municipality.

In completing the Draft Annual Report, it is imperative to ensure that there is alignment between the Integrated Development Plan, Budget, and the Service Delivery and Budget Implementation Plan (SDBIP) as these are the strategic documents of the Council and in most instances are

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forward-looking. The Draft Annual Report is a backward-looking document which is intended to ascertain whether goals and objectives were achieved.

The Draft Annual Report for the 2022/2023 financial year was submitted to the Office of the Auditor-General on the 31st of August 2023 in compliance with legislative requirements.

The Executive Mayor of the District Municipality tabled the Draft Annual Report to the Council on the 26th of January 2024 and the report was subsequently approved by Council on the 25th of March 2024. The Annual Report was discussed and evaluated by the Municipal Public Accounts Committee (MPAC) throughout the process and MPAC made recommendations to the Council.

The process of the Annual Report was finalized in April 2024 in accordance with Section 129 (1) of the Municipal Finance Management Act by way of submitting the Oversight Report and the Annual Report for the 2022/2023 financial year to the Provincial Legislature on the 4th of April 2024. The ZF Mgcawu District Municipality complied with all legislative and legal requirements in the completion of this process.

CHAPTER 2

GOVERNANCE

COMPONENT A

POLITICAL AND

ADMINISTRATIVE

GOVERNANCE

Local government is said to be the sphere of government closest to the people. Section 152(1) of the Constitution of the Republic of South Africa outlines the objects of local government. The most important of these objects is that local government must (a) provide a democratic and accountable government for local communities and (b) that local government must ensure the provision of services to communities in a sustainable manner. Section 151(2) of the Constitution of the Republic of South Africa, 1996 (Constitution), vests both the executive and legislative authority of a Municipality in its Municipal Council.

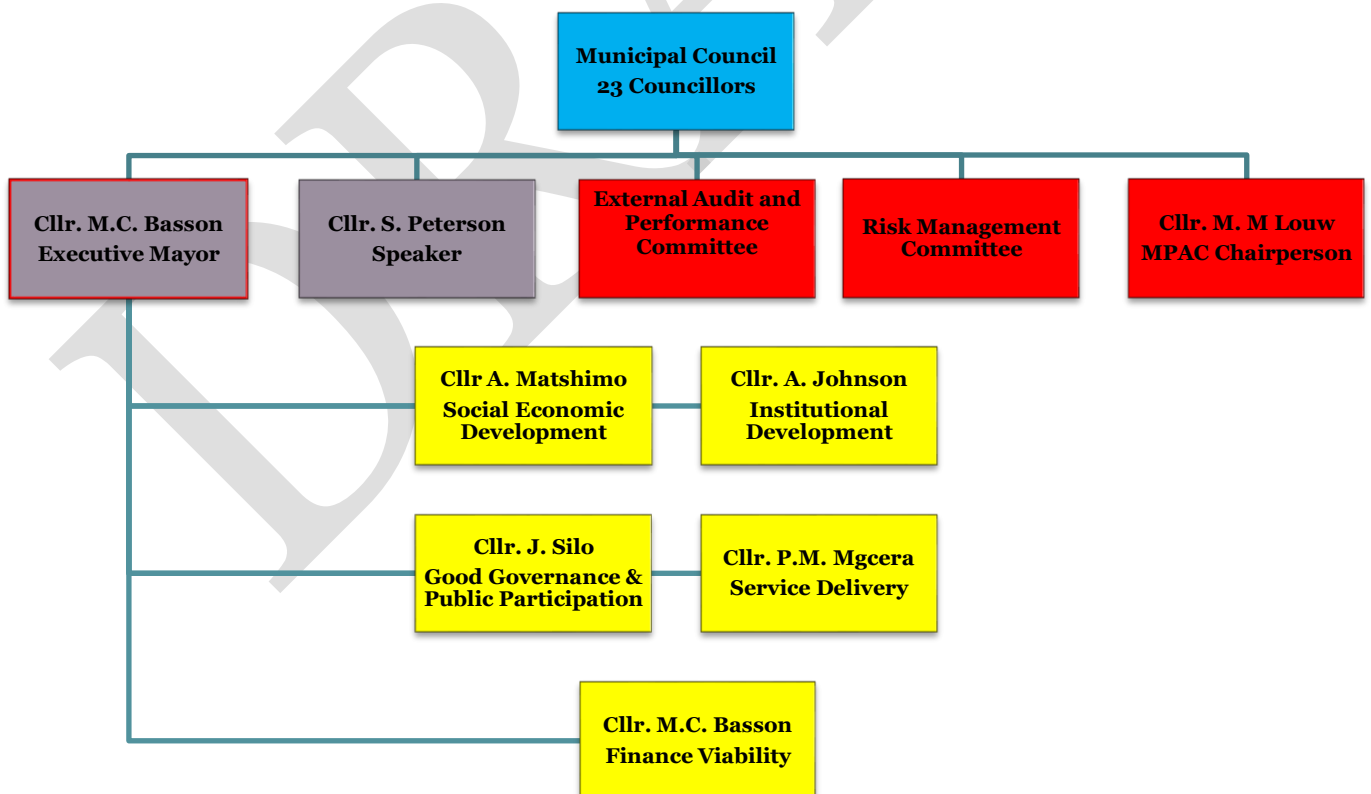
Section 59 of the Municipal Systems Act read with Section 79 of the Municipal Finance Management Act determines that a Municipal Council must develop a system of delegation that will maximize administrative and operational efficiency and provide for adequate checks and balances. The System of Delegation of Powers, approved on the 30th of June 2023 delegates some decision-making powers to the Executive Mayor; Speaker; Mayoral Committee; Portfolio Committees and other Committees of the Council; and administrative components responsible for

decision-making and implementation respectively.

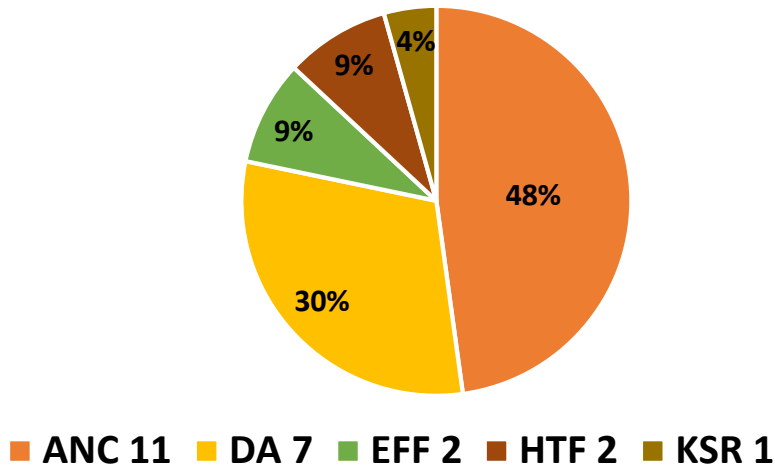
The provisions made in the legislation is intended to decentralize and democratize decision-making within the institution and to improve the pace at which services are delivered to the community.

2.1 POLITICAL GOVERNANCE

The Council of the ZF Mgcawu District Municipality is comprised of 23 Councillors of which 10 are direct elected Councillors and 13 are seconded to the District Municipality from the Local Municipalities. The Council of the ZF Mgcawu District Municipality performs both a legislative and an executive function. It focuses on legislative, oversight, and participatory roles and has delegated its executive function to the Executive Mayor and the Mayoral Committee. The Council plays a very active oversight role in the operations of the District Municipality. The Council remains the original source of executive power and bears the responsibility for overseeing the executive.



ZFM Council Composition



2.1.1 COUNCIL COMMITTEES

Sections 79 and 80 of the Local Government: Municipal Structures Act, 117 of 1998

The Local Government: Municipal Structures Act, 117 of 1998 provides the legal framework for the establishment and functioning of Municipal Councils in South Africa. Sections 79 and 80 of the Act specifically address the formation and responsibilities of committees within these Municipal Councils.

Section 79 Committees

Section 79 allows Municipal Councils to establish non-executive committees, known as Section 79 Committees. These committees are formed to facilitate the effective and efficient performance of the council's functions and powers, as determined and delegated by the Council. The composition, terms of reference, and operational procedures of Section 79 Committees are defined by the Council.

The Mayoral Committee

The Mayoral Committee is an executive committee established under Section 80 of the Act. It is

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chaired by the Executive Mayor, Councillor M.C Basson, and comprises the Chairpersons of the various Portfolio Committees within the Municipal Council.

The Mayoral Committee is responsible for two key functions:

1. **Monitoring the administration** of the municipality to ensure alignment with the Council's policy directives.
2. **Overseeing the provision of services** to the communities within the District Municipality in a sustainable manner.

Each member of the Mayoral Committee also serves as the Chairperson of a specific Portfolio Committee, which has its own defined functions and responsibilities.

Responsibilities of the Executive Mayor

As the chairperson of the Mayoral Committee, the Executive Mayor has the following key responsibilities:

- Chairing the Mayoral Committee meetings
- Overseeing the preparation of the Mayoral Committee agenda
- Delegating specific responsibilities or powers to individual Mayoral Committee members
- Dismissing a member of the Mayoral Committee if necessary
- Ensuring compliance with relevant laws and rules of order during Mayoral Committee meetings

The District Municipality in accordance with the Municipal Structures Act has the following Portfolio Committees in place:

Portfolio Committees

NAME OF CHAIRPERSON	PORTFOLIO COMMITTEE
Cllr. M.C Basson	Municipal Finance Viability
Cllr. A. Johnson	Institutional Development
Cllr. P. M. Mgcera	Service Delivery
Cllr. J. Silo	Good Governance and Public Participation
Cllr. A. Matshimo	Social Economic Development

The Committee allocations and the purposes of the Committees can be found in Appendix A and B of this Report respectively.

2.1.2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) has been established by Council in terms of Section 79 of the Municipal Structures Act, Act 117 of 1998.

The primary function of the Municipal Public Accounts Committee (MPAC) is to oversee and scrutinize the financial management of local government entities. The committee plays a crucial role in ensuring transparency, accountability, and good governance by reviewing the budget, expenditures, and Financial Statements of municipalities. By conducting in-depth examinations and audits of public funds, MPAC holds officials accountable for their fiscal decisions and helps prevent corruption or mismanagement of taxpayer money.

Additionally, MPAC serves as a key mechanism for promoting effective financial planning and resource allocation within municipalities, ultimately working towards enhancing the overall socioeconomic development and wellbeing of local communities. Through its rigorous oversight and monitoring activities, MPAC contributes to building trust between government authorities and citizens while upholding principles of integrity and responsibility in public administration. This committee serves as a watchdog on behalf of the Council, ensuring that the executive functionaries are held accountable for their actions, thereby reinforcing good governance practices at the local level.

The Members of the Municipal Public Accounts Committee (MPAC) for the 2023/2024 financial year were:

NAME OF MEMBER OF MPAC	POLITICAL PARTY
*Cllr M.M Louw [Chairperson]	African National Congress [ANC]
Cllr K.G. Keorometswe	African National Congress [ANC]
Cllr D.R. Pienaar	African National Congress [ANC]
Cllr P.J. George	African National Congress [ANC]

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Cllr J. Balies	Economic Freedom Fighters [EFF]
Cllr F.L. Witbooi	Democratic Alliance [DA]

*Council appointed Cllr. M.M. Louw as MPAC Chairperson on 28 February 2024

Members of Council for the 2023/2024 Financial Year:

MEMBERS OF COUNCIL 2023/2024			
NAME	POSITION	PARTY	PERIOD
M.C. Basson	Executive Mayor	ANC	Commencement: 23/06/2022
W.R.S Peterson	Speaker	KSR	Commencement: 14/12/2021
A. Matshimo	Mayoral Committee	ANC	Commencement: 28/01/2022
J. Silo	Mayoral Committee	ANC	Commencement: 28/01/2022
P.M. Mgcera	Mayoral Committee	ANC	Commencement: 28/01/2022
A. Johnson	Mayoral Committee	ANC	Commencement: 28/01/2022
P.H Matthys	Chairperson of Section 79 Committee	HFTF	Commencement: 30/08/2022 Term ended: 27/02/2024
M.M. Louw	Chairperson of Section 79 Committee	ANC	Commencement: 28/02/2024
M.M. Louw	Direct Elected Councillor	ANC	Commencement: 23/06/2022 Term ended: 27/02/2024
J. Esau	Direct Elected Councillor	EFF	Commencement: 09/11/2021 Term ended: 23/11/2023
M. Willemse	Direct Elected Councillor	EFF	Commencement: 24/11/2023
H. De Koker	Direct Elected Councillor	DA	Commencement: 09/11/2021
F.L. Witbooi	Direct Elected Councillor	DA	Commencement: 09/11/2021
P.H. Matthys	Direct Elected Councillor	HFTF	Commencement: 28/02/2024 Term ended: 11/06/2024
E. Mompe	Direct Elected Councillor	HFTF	Commencement: 12/06/2024
M.H.B. Van Zyl	Direct Elected Councillor	DA	Commencement: 09/11/2021

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K.G. Keorometswe	Councillor	ANC	Commencement: 14/12/2021
A.J. Ruiters	Councillor	DA	Commencement: 14/12/2021
C.F.P. Bezuidenhout	Councillor	DA	Commencement: 14/12/2021
A.C. Kotzee	Councillor	HFTF	Commencement: 14/12/2021
J. Balies	Councillor	EFF	Commencement: 14/12/2021
D.R. Pienaar	Councillor	ANC	Commencement: 14/12/2021
P.T. van der Steen	Councillor	DA	Commencement: 14/12/2021
S. Sandlana	Councillor	DA	Commencement: 14/12/2021
S. Abel	Councillor	ANC	Commencement: 28/01/2022
P.J George	Councillor	ANC	Commencement: 14/12/2021
F. Basson	Councillor	ANC	Commencement: 14/12/2021

2.2 ADMINISTRATIVE GOVERNANCE

Mr. A.K. Tieties served as the Acting Municipal Manager for the 2023/2024 financial year. In this role, he was responsible for overseeing the administration and ensuring its economic, effective, efficient, and accountable operation in accordance with Section 55 of the Municipal Systems Act, 32 of 2000. As outlined in Section 60(b) of the Municipal Finance Management Act, 56 of 2003, the Acting Municipal Manager is designated as the Accounting Officer of the municipality. This position requires providing guidance on compliance to political structures, political office bearers, and officials within the municipality.

The Accounting Officer is expected to uphold principles of fidelity, honesty, integrity, and act in the best interests of the District Municipality when managing its financial affairs. The Acting Municipal Manager was supported in his duties by the Chief Financial Officer, the Director of Corporate Services, and the Director of Development and Planning.

The responsibilities of the Acting Municipal Manager, as detailed in Section 55(1) of the Municipal Systems Act, 32 of 2000, include but are not limited to:

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- a) Developing the Integrated Development Plan for the District Municipality in accordance with Chapter 5 of the Act and overseeing its implementation.
- b) Establishing a Performance Management Framework and ensuring adherence to the Performance Management System.
- c) Providing advice to the Executive Mayor, other political office bearers, and Council structures in carrying out their responsibilities

The execution of these responsibilities ensured that the municipality operated in a manner that was both accountable to its constituents and in line with legal requirements.

Senior Management as at 30 June 2024

NAME	CAPACITY	PERIOD
Mr A.K. Tieties	Acting Municipal Manager	1 July 2023-30 June 2024
Mr D.J. Van Zyl	Director: Corporate Services	1 July 2023-30 June 2024
Mrs. E. Isaacs	Chief Financial Officer	1 July 2023-30 June 2024
Mr I. De Waal	Director: Planning & Development	1 July 2023-30 June 2024

COMPONENT B INTERGOVERNMENTAL RELATIONS (IGR)

2.3 INTERGOVERNMENTAL RELATIONS (IGR)

The Local Government: Intergovernmental Relations Framework Act, No. 13 of 2005, is a critical piece of legislation that sets out the framework, mechanisms, and procedures to promote and facilitate cooperation among the national, provincial, and local spheres of government. The Act's primary objective is to ensure that these three spheres of government work together in a

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coordinated and collaborative manner, especially in the planning and execution of their respective duties.

Key structures established under the Act include:

1. **Presidential Coordinating Council:** At the national level, this Council provides a platform for high-level discussions and coordination between the President and the provincial premiers, ensuring alignment between national policies and provincial implementation.
2. **Premier's Intergovernmental Forum:** At the provincial level, this forum brings together the premier, Members of the Executive Council, and Mayors of Municipalities within the province. It is designed to ensure that provincial and municipal actions are harmonized and mutually supportive.
3. **District Intergovernmental Forums:** At the district level, these forums are intended to facilitate coordination between District Municipalities and the Local Municipalities within their jurisdiction. This ensures that district-level planning and local-level implementation are aligned, and any potential conflicts or overlaps are resolved effectively.

Intergovernmental relations, as facilitated by this Act, are essential for ensuring that the planning and coordination of activities across the three spheres of government are done in a way that maximizes efficiency, avoids duplication, and ensures that governmental actions are consistent with the overall development goals of the country.

Functionality of District Political and Technical IGR

With the assistance of the Executive Mayor and the Mayoral Committee, joint Technical and Political IGR's were called as an intervention due to a lack of attendance by key stakeholders. This approach yielded great success. However, in the third quarter the District Political and Technical IGR were separated and the same problem of absenteeism of stakeholders resurfaced. A schedule of resolutions was drawn up and the progress was monitored quarterly while new resolutions were added.

Dates of the Joint Political and Technical IGR meetings for 2023/2024

- Quarter 1: 08 September 2023
- Quarter 2: 12 January 2024
- Quarter 3: Meeting did not take place
- Quarter 4: 06 June 2024

Challenges of the Political and Technical IGR

The Joint Political and Technical IGR meetings were well attended but took a dip in the 3rd quarter because the two structures were separated and this led to the previous challenges of stakeholders not attending the meetings.

The water crisis at !Kheis Local Municipality and Kai !Garib Local Municipality received the attention of multi-departmental intervention, however it became evident that there is a need for higher intervention due to the need for financial assistance and the deteriorated infrastructure which makes service delivery challenging if not impossible.

Successes of the combined Political and Technical IGR

The Mayoral Committee continued their integrated program with the District Government Departments dubbed Mayoral Imbizo. For the year under review the Mayoral Imbizo took place from 18 March – 02 April 2024 in different Wards in the Dawid Kruiper Local Municipality.

The District Government Departments have played a crucial role in delivering essential services directly to the people, addressing various needs within the community. These efforts have been coordinated through joint meetings that ensured that service delivery is maintained. The objectives of the Intergovernmental Relations Framework Act 13, 2005, align with the principles of cooperative governance set out in Chapter 3 of the Constitution.

This Act provides a framework for the national, provincial, and local governments, as well as all organs of state within these governments, to coordinate the implementation of policy and legislation. The Act aims to build a coherent government and ensure the effective provision of services.

The Intergovernmental Relations (IGR) framework has proven to be a valuable tool for service delivery within Local Municipalities and other stakeholders. It helps keep all stakeholders informed about the state of service delivery within the District, fostering transparency and accountability.

2.3.1 DISTRICT DEVELOPMENT MODEL

The District Development Model (DDM) is a strategic initiative launched in 2019 as a response to the challenges faced by traditional service delivery approaches, which often operated in silos and lacked coherence across different government levels. The DDM is designed to foster an integrated, district-based approach to service delivery, with the primary aim of fast-tracking services and ensuring that municipalities are sufficiently supported and resourced to fulfil their mandates effectively.

Key Aspects of the District Development Model:

Integrated Planning and Delivery

The DDM promotes a unified approach to planning and service delivery across the national, provincial, and local spheres of government. This integration aims to overcome the fragmentation that has historically hindered effective governance, leading to suboptimal service delivery and limited impact on addressing poverty, inequality, and unemployment.

The One Plan

Central to the DDM is the creation of a "One Plan," which is a strategically focused document resulting from joint and collaborative planning at the Local, District, and Provincial levels. The One Plan is designed to align and integrate the provincial and local programs and plans, ensuring they are managed and implemented through a shared service approach from a District Municipal perspective.

Alignment with Existing Frameworks

The DDM and One Plan operate within the established policy and planning frameworks of the provincial and local spheres of government. This ensures alignment across various planning documents, including the Provincial Growth and Development Plan (PGDP), Provincial Spatial Development Framework (PSDF), Local Spatial Development Framework (Municipal SDF), and

the Integrated Development Plan (IDP). This coordinated effort is intended to streamline the implementation of programs and plans at the Local Municipal level.

Addressing Challenges in ZF Mgcawu District Municipality

The ZF Mgcawu District Municipality, like many others, faces significant challenges that require a unified vision and collaborative effort among all stakeholders and role players. The DDM's goal within this District is to chart a path towards prosperity, liveability, and vibrant communities. By aligning the District's development efforts under the DDM and One Plan, stakeholders can work together to address local issues more effectively.

The District Development Model represents a transformative approach to governance in South Africa, aiming to create a more coherent and efficient government structure that can better serve the needs of its citizens. By fostering collaboration and alignment across all spheres of government, the DDM seeks to overcome past challenges, enhance service delivery, and address the pressing issues of poverty, inequality, and unemployment within the ZF Mgcawu District Municipality. The DDM's success hinges on the collective efforts of all stakeholders to work towards a shared vision of development and prosperity.

COMPONENT C PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 IDP PARTICIPATION AND ALIGNMENT

The Municipal Systems Act 32 of 2000 mandates that municipalities annually review their Integrated Development Plans (IDPs) based on an assessment of their performance measurements. The IDP is defined as the principal strategic planning instrument for a municipality, guiding and informing all planning, management, and development decisions. This

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is emphasized in Chapter 5, Section 35(1)(a) of the Act, which underscores the IDP's central role in municipal governance.

The IDP serves as a critical tool not only for the District Municipality itself but also for the broader planning processes across other spheres of government, including national and provincial levels, as well as state-owned enterprises. The importance of the IDP in coordinating these efforts necessitates a joint and integrated approach in its development. This collaboration ensures that the IDP aligns with broader government objectives and effectively contributes to the municipality's fulfilment of its Constitutional mandate. To achieve the objectives of the IDP, it must be formulated according to a detailed business plan. This plan should outline the roles and responsibilities of the various stakeholders, establish clear time frames, and include cost estimates. Such detailed planning ensures that the IDP is practical, achievable, and effectively aligned with the municipality's long-term strategic goals.

IDP Review Process for 2023/2024

The review process for the 2023/2024 financial year is critical for assessing the District Municipality's progress and making necessary adjustments to the IDP. A key component of this review process is public participation, which helps ensure that the IDP reflects the needs and priorities of the community. The findings from this public participation process will guide the District Municipality in identifying areas where support is needed, especially in addressing capacity challenges.

IDP Process & District Framework Plan

The District Framework Plan plays a crucial role in ensuring that the IDP process is consistent and aligned across the District and its Local Municipalities. This framework provides the necessary linkage and binding relationships between the District Municipality and the Local Municipalities.

According to Section 28(1) of the Municipal Systems Act of 2000, each Municipal council is required to adopt a written process to guide the planning, drafting, adoption, and review of its IDP. The IDP Process Plan and the District Framework Plan for the 2023/2024 financial year were adopted on 30 August 2023. These documents serve as the foundation for the structured and coordinated approach to developing and reviewing the IDP across the District.

IDP Steering Committee and IDP Representative Forum Meetings

The IDP Steering Committee serves as a technical advisory body that supports the IDP Representative Forum. It provides technical decisions and inputs to the Acting Municipal Manager and the Unit Manager IDP, helping to shape the IDP process and ensure its effective implementation. The Steering Committee is a key component in ensuring that the IDP is technically sound and that all necessary considerations are factored into the planning process. The IDP Representative Forum is responsible for broader stakeholder engagement and plays a pivotal role in the IDP process. Its responsibilities include:

- **Providing a mechanism for discussion, negotiation, and decision-making:** The Forum facilitates dialogue between different stakeholders, ensuring that their voices are heard and considered in the IDP process.
- **Representing constituencies:** Members of the Forum represent the interests of their constituencies, ensuring that the IDP reflects the needs and priorities of the broader community.
- **Monitoring planning and implementation:** The Forum also monitors the progress and effectiveness of the planning and implementation process, ensuring that the IDP remains on track and responsive to the community's needs.

The Forum is composed of key stakeholders, including the Mayor, Councillors, Acting Municipal Manager, Directors, representatives from various sectors, NGOs, Government Departments, and specialized community members. This diverse representation ensures that the IDP is inclusive and comprehensive. These meetings are critical touchpoints for reviewing progress, making decisions, and ensuring alignment across all stakeholders involved in the IDP process. Poor attendance of IDP Representative Forums by sector departments & non-submission of their projects remain a problem.

IDP Steering Committee and IDP Representative Forum Meetings 2023/2024	
IDP Steering Committee	IDP Representative Forum
19 October 2023	20 October 2023
21 February 2024	20 February 2024

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Public Participation

A hybrid public participation session was held with Local Municipalities on 16 November 2023. This session had a special focus on the public participation processes of the Local Municipalities, highlighting the importance of community involvement in shaping the IDP.

Compliance

Compliance Dates	
Draft IDP 2023/2024 (Approved)	27 March 2023
Final IDP 2023/2024 (Approved)	31 May 2023
Revised IDP 2023/2024 (Tabled & Approved)	28 February 2024 27 June 2024

The Integrated Development Planning Unit, the Budget and Treasury Office (BTO) and the Performance Management System Unit are working together to ensure alignment between the IDP, Budget & SDBIP as well as the adjustment IDP/Budget & PMS thereby ensuring compliance with the relevant Legislation.

IDP PARTICIPATION AND ALIGNMENT CRITERIA	
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPI's, and development strategies?	Yes
Does the IDP have multi-year targets?	No
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly with the KPI's in the strategic plan?	Yes
Do the IDP KPIs align with section 57 Managers	Yes
Do the IDP KPI's 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

2.5 WARD COMMITTEES

Section 73 of the Municipal Structures Act, 117 of 1998, mandates that every Municipal Council must establish Ward Committees for each of its wards. Ward Committees are intended to enhance democratic participation at the grassroots level by creating a platform where all interest groups within a ward can express their needs, concerns, and priorities. This allows for a comprehensive needs analysis and priority list to be prepared by the Ward Councillor, ensuring that the concerns of the community are accurately represented.

Ward Committees have the responsibility to monitor the performance of the municipality, particularly concerning services delivered to their local ward. They can raise issues of concern to ensure that municipal services meet the needs of the community.

The Ward Committees may assist with various community awareness campaigns, such as those related to waste management, water conservation, sewage treatment, and the payment of municipal fees and charges. Given their close ties to the community, Ward Committee members are well-positioned to understand local issues and disseminate important information effectively.

A primary function of Ward Committees is to act as a communication link between the communities they represent and the Municipal Council. They ensure that the voices of the community are heard by the Council and that the Council's decisions and actions are communicated back to the community. This two-way communication helps to build trust and ensures that municipal actions are aligned with the community's needs and expectations.

Ward Committees are accountable to the communities they represent. They must ensure that their activities reflect the interests and needs of the local community, rather than solely responding to the directives of Councillors or Municipalities. This accountability ensures that Ward Committees remain focused on serving the best interests of the people in their ward. Overall, Ward Committees play a crucial role in fostering local democracy, ensuring that municipal governance is responsive and accountable to the needs of the community.

The Constitution of the Republic of South Africa Act (Act No. 106 of 1996) establishes the foundation for democratic governance and public participation, which includes the role of Ward Committees in local government. Municipal Systems Act (Act No. 32 of 2000) focuses on the

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internal systems and administration of municipalities, emphasizing the importance of public participation and the role of Ward Committees.

The White Paper on Local Government a policy document that outlines the vision and strategy for local government in South Africa, highlighting the importance of community participation through structures like Ward Committees. These laws and frameworks collectively aim to empower Ward Committees to effectively represent their communities and enhance public participation in local government affairs.

Establishment of Ward Committees

Ward Committees have been established in the following Municipalities:

LOCAL MUNICIPALITY	NUMBER OF ESTABLISHED WARD COMMITTEES	STATUS OF WARD COMMITTEES
Dawid Kruiper Local Municipality	15	Wards 7 & 8 are non-functional and elections for new Ward Committees will take place during the 2024/2025 financial year
!Kheis Local Municipality	4	All wards are functional
Kai !Garib Local Municipality	10	All wards are functional
Kgatelopele Local Municipality	4	All wards are functional
Tsantsabane Local Municipality	7	All wards are functional

Training

The training of Ward Committees is solely done by the Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA)

Challenged encountered during 2023/2024

The following challenges were experienced during the 2023/2024 financial year:

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- The Ward Councillors (Chairpersons of the Ward Committee) do not submit their reports to Council and COGHSTA timeously or in some instances, they do not submit reports at all.
- Stipend amounts differ from one Municipality to the next. In some Municipalities the stipend is R1000 per month while in Municipalities such as Tsantsabane and Kgatelopele the Ward Committee member only receive R2000 per quarter ($R2000 \div 3 = R666,6$ per month). The matter has been escalated to COGHSTA and feedback is awaited.
- Ward Committees have reported the lack of adequate service delivery and in some rural areas there is no service delivery at all.

COMPONENT D CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

The ZF Mgcawu District Municipality's approach to Risk Management emphasizes a comprehensive and integrated strategy. By embedding Risk management across all departments and processes, the goal is to minimize risks effectively. The Risk Management Unit, situated within the Acting Municipal Manager's office, is key in coordinating activities and supporting Line Management and employees. Their role focuses on facilitating, advising, and supporting rather than directly managing risks, which remains the responsibility of Line Management. This top-down perspective helps in understanding the overall environment and activities of the District Municipality, ensuring that Risk management is aligned with the municipality's objectives. The Risk Management Unit consists of a Unit Manager and a Senior Risk Officer.

Risk Management at the ZF Mgcawu District Municipality involves identifying, assessing, and mitigating potential risks that could impact the municipality's ability to achieve its objectives and deliver services effectively. This process helps ensure that the municipality operates smoothly, minimizes potential negative impacts, and capitalizes on opportunities for improvement.

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Key aspects of Risk Management in the District Municipality include:

Identification of risks: Recognizing potential risks that could affect the municipality, such as financial risks, operational risks, legal risks, environmental risks, and reputational risks.

Assessment and analysis: Evaluating the likelihood and impact of identified risks. This involves understanding how likely a risk is to occur and the potential consequences if it does.

Mitigation strategies: Developing and implementing strategies to reduce or manage identified risks. This might involve creating contingency plans and implementing controls.

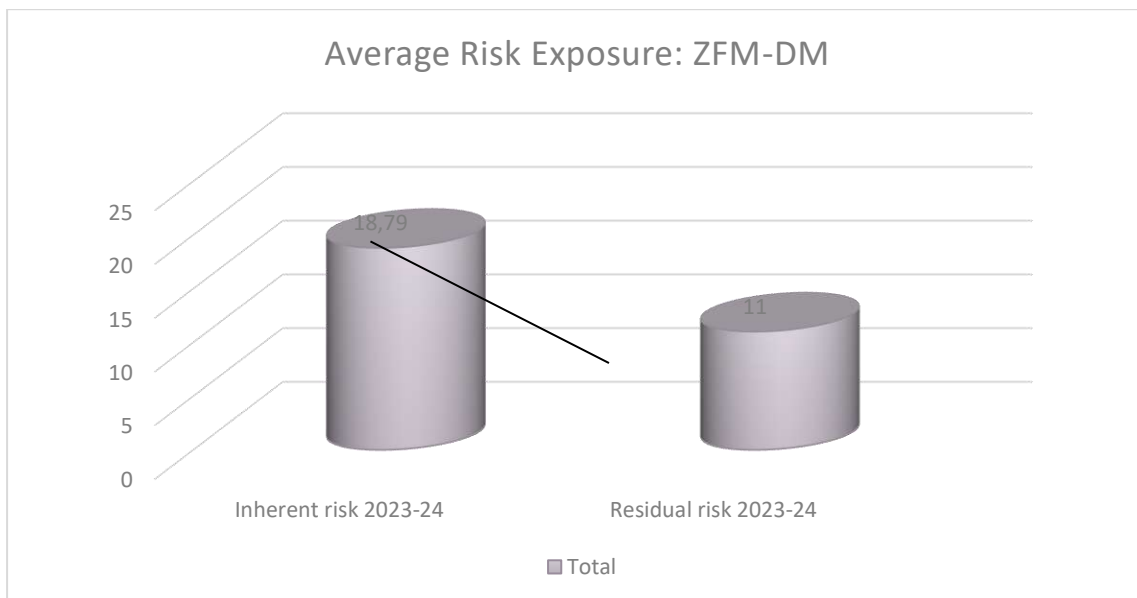
Monitoring and review: Continuously monitoring Risk Management activities to ensure they are effective and making adjustments as necessary. This also involves regularly reviewing the risk environment to identify new risks. The District Municipality has a fully functional Risk Management Committee with an external Chairperson. The following Policy documents have been approved by the Council for the year under review:

- a) Risk Management Policy
- b) Risk Management Framework
- c) Risk Management Committee Charter

During the 2023/2024 financial year the District Municipality's risks were based on Strategic, Operational and Project Risk categories respectively. Based on the risk ratings as per our methodology process above, risks have been prioritized as follows:

Risk ranking	Risk priority
1 – 9	Low
10 – 15	Medium
16 - 25	High

Figure A.2 Average Risk exposure for Z.F. Mgcawu DM:



The graph above (Overall Risk Exposure) could be interpreted as follows;

The overall risk, before controls were rated at an average of 18.79 for 2023/2024 which was of a high priority (in terms of the set criteria of the District Municipality), whereas overall risks after controls were rated at an average of 11 which is at a medium level for the end of the financial year. This meant that the controls in place, did not adequately minimize the risks identified and that the mitigating controls were not working as intended.

The Districts controls requires moderate attention for improvement. This means that Management must monitor these identified risks, as the risk environment is continually changing and there are some noted high risks on the risk register which has major impact on the District Municipality, if these risks were to realize/materialize. That said, the District Municipality is in moderate need of rectification of the current risk exposure and must obtain measures to source funds to address the financial shortcomings.

Top Ten High Risks of the ZFM District Municipality

At the residual risk exposure, the following are **top Operational risks** that the Municipality considers as major focus area. (without necessarily implying that other risks falling outside the tolerance level need no attention):

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<u>Risk no.</u>	<u>Component/ Unit</u>	<u>Objectives</u>	<u>Consequences</u>	<u>Root Cause</u>	<u>Risk</u>
d9	Environmental Health	To strengthen the environmental health services within the District.	A possible outbreak of diseases and human casualties.	<ol style="list-style-type: none"> 1. The minimum inspection frequency cannot be diligently performed due to understaffed EHP's within the ZFM-DM region. 2. Possible ineffective monitoring of EH services. 3. Non-compliance with norms and standards and the Environmental Health act of 2003 (There must be one operational health EHP must be provided for every 10 000 people within a region). 	Human casualties.
c15	Asset Management	Effective management of council vehicles	Misuse of council vehicles	Log sheet incomplete, possible unauthorized use of council vehicles, no inspection of vehicle before and after trip commences. Possible misuse of council vehicles.	Financial losses.
c17	Asset Management	Effective and timely pay-outs of claims submitted to the insurance company.	Financial losses suffered by the municipality, due to the insurance company's refusing to pay out claims which was submitted late	Possibility that insurance claims might be reported late to the insurance office.	Financial losses.

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Risk no.	Component/ Unit	Objectives	Consequences	Root Cause	Risk
b16	OHS	To render occupational health and safety services according to the occupational health and safety act.	Non-compliance with all applicable legislation.	Insufficient budget for OHS. Lack of trained SHE representatives.	Legal and financial implications.
b17	OHS	To protect the workforce against occupational health and safety.	Unsafe Work Environment. Out of sync with industry standards	Untrained/unskilled safety. Reps. Unsafe Work Environment	Legal and financial implications.
b32	Information, Communication and Technology (ICT)	Business continuity	Infrastructure Damage Business Disruptions	Possible loss of systems or data, due to power output	Loss of power/ electricity.
a6	Internal audit	Compliance with IA National Treasury framework and IIA standards. Ensure that an External Quality Assurance review is conducted.	Findings with the AG Non-Compliance with legislation No independent review of internal audit work to ensure compliance with the Standards of the IIA.	Lack of funds to perform Quality Assurance Review (QAR).	Failure to perform QAR may result in regression in Audit Opinion.

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a12	Strategic management	Fully fledged unit	Operations within the unit are malfunctioning	The unit is under capacitated (Shortage of staff within the unit).	The unit is not up to standard to provide effective services.
a22	PMS	To set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP)	Non-achievement of set KPIs in the SDBIP and the annual performance report.	Remedial actions are not implemented. Possible non-achievement of municipal targets.	Regression in audit opinion.
a26	Co-ordination of Support to category B's	Co-ordinate support to the Category B municipalities.	Unspent of budget. Non-achievement of set targets in the IDP and SDBIP.	Availability and cooperation of the Category B Municipalities. Possible non-adherence to the support program.	Non-compliance with Structures Act 88 2(a) to provide support to B-Municipalities upon request.

2.7 ANTI-FRAUD AND CORRUPTION

The ZF Mgcawu District Municipality takes a comprehensive and proactive approach to combating fraud and corruption, guided by relevant legislative frameworks. Several laws in South Africa specifically address Anti-fraud and Corruption measures in Municipalities. The Municipal Finance Management Act of 2003 is designed to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local government sphere.

Section 112(1)(m)(i) requires Municipalities to implement Supply Chain Management practices that prevent fraud, corruption, favoritism, and unfair practices. Section 115(1) mandates that the Accounting Officer must take all reasonable steps to ensure the separation of duties within the Supply Chain Management system to minimize the risk of corruption and fraud.

The Prevention and Combating of Corrupt Activities Act, 2004 provides a comprehensive legal framework to prevent, combat, and regulate corruption in the public and private sectors.

The Prevention and Combating of Corrupt Activities Act criminalizes corrupt activities related to public officers, including municipal officials and establishes various offenses relating to the abuse of public office, procurement corruption, and corrupt activities involving contracts.

The District Municipality has taken a step further to conduct a survey during the fraud awareness program to test awareness and knowledge of key aspects of the reaction to fraud and corruption. The results of the survey prompt us to expand our programs especially to the interns and new learners in our organization. Debates during the quarterly awareness sessions are continued to tackle the possible daily deterrents head-on; this also forms part of induction for new incumbents as we address ethics in the workplace.

In summary, Anti-fraud and Corruption measures are essential for maintaining the integrity, efficiency, and effectiveness of municipal operations, ensuring that District Municipality fulfills its responsibilities to the public while safeguarding public resources.

The following Anti-Fraud and Corruption Policies and strategic documents for the 2023/2024 financial year were tabled and approved by Council:

Policies & Strategic Documents approved for 2023/2024

Policies & Strategic Documents approved for 2023/2024	Date Approved
Anti-Fraud and Corruption Policy	31 May 2023
Fraud Ethics Policy	31 May 2023
Fraud Prevention Plan	31 May 2023
Fraud Prevention Strategy	31 May 2023
Fraud Risk Register	31 May 2023
Fraud Register	31 May 2023
Fraud Response Plan	31 May 2023
Fraud Risk Management Framework and Implementation Plan	31 May 2023
Whistle Blower Policy	31 May 2023
Whistle Blower Plan	31 May 2023

2.8 SUPPLY CHAIN MANAGEMENT

Regulation 6(2)(a)(i) of the Municipal Supply Chain Management Regulations, which is promulgated under the Municipal Finance Management Act (MFMA) of 2003, deals with the framework for the Supply Chain Management (SCM) processes within Municipalities. This regulation requires that the municipal Supply Chain Management Policy should provide for an effective and efficient Supply Chain Management system.

The regulation mandates Municipalities to establish a Demand Management system that must ensure that the resources required to support the strategic and operational commitments of the Municipality are delivered at the right time, at the right place, and at the right cost, so that the Municipality can deliver on its objectives effectively. Integrated Supply Chain Management aims to

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add value at each stage of the process – from the demand for goods and services to their acquisitions, managing the logistics process, and finally, after use, to their disposal. In doing so, it addresses deficiencies in current procurement and contract management practices.

The Bid Committees held bi-weekly meetings. The Specification Committee meetings took place on Mondays, the Evaluation Committee on Wednesdays and the Tender Committee on Fridays when Tenders are considered. The Supply Chain Management Policy review for 2023/2024 was approved by the Council on 30 June 2023. All the Municipality's bid documents (MBDs) are in place in compliance with MFMA Circular 25 and include specifications and evaluation criteria as recommended by the Specification Committee.

Supply Chain Management Unit (Staff)

The staff component of the Supply Chain Management Unit is as follows:

- 1x Assistant Director SCM, Payroll and Expenditure
- 1x Senior Procurement Officer
- 1x Demand, Acquisition and Logistics Officer (Buyer)
- 1x Intern

The Assistant Director of SCM and Senior Procurement Officer are busy with their excellent diploma in Public accountability. The Assistant Director SCM and Assistant Accountant Procurement have completed the Municipal Minimum Competency Training as mandated by the Municipal Regulations on Minimum Competency levels (Government Gazette 29967, 2007)

Preferential Procurement Regulations, 2022

The Preferential Procurement Regulations, 2022, demonstrates a commitment to fostering an inclusive and transformative business environment. This policy aligns with the broader governmental goals of economic transformation and empowerment, particularly for Historically Disadvantaged Individuals (HDIs) and Small, Medium, and Micro Enterprises (SMMEs). A core objective is to ensure that historically disadvantaged individuals have better access to municipal contracts. This is crucial in addressing historical inequalities and promoting economic inclusion.

The policy actively encourages the participation of SMMEs in procurement processes. This not only supports small businesses but also drives local economic growth and innovation. This policy not only aligns with national objectives but also plays a pivotal role in driving local economic

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empowerment, fostering business growth, and addressing historical imbalances within the ZF Mgcawu District Municipality.

All Tenders for 2023/2024

NR	TENDER	DESCRIPTION	CLOSING DATE OF BID	PROGRESS
1.	Tender 1 2023/2024	Acquisition of official vehicle for the Executive Mayor	11 August 2023	Tender awarded to Upington Haval
2.	Tender 3 2023/2024	Appointment of service provider to conduct quality assurance review for internal audit.	15 November 2023	Tender awarded to Excellent Mind Institute
3.	Tender 4 2023/2024	Mscoa Performance Management System	07 November 2023	Tender awarded to CCG
4.	Tender 5 2023/2024	Insurance for the period 1 December 2023 till 30 November 2024	07 November 2023	Tender awarded to Kunene Makopo
5.	Tender 6 2023/2024	Appointment of a skills development panel for ZF Mgcawu District Municipality for 3 years	04 December 2023	All service providers who tendered were approved to form part of the panel. Fachs, Nermalale Eagles, Pioneer Business Consulting, Dru a FET college , Edufleet , Vari Holdings Tirisano Yabakwea, Aldabri Tag 443 Shybrand Resonance Edu-house Doughtful

Price Written Quotation Register 2023/2024

<u>#</u>	<u>Quotation Nr</u>	<u>Date advertised</u>	<u>Date closed</u>	<u>Date awarded (order)</u>	<u>Description</u>	<u>Quotation awarded to</u>	<u>Quotation Amount</u>
1	Quotation 3-2023-2024	19-July-23	26-July 23	12-Sep-2024	Request for formal Written Quotation for renewal of ESET Protect Endpoint Protection Advance	URB ICT	R61215.00
2	Quotation 4-2023-2024	20-July-23	26-July 23	28-Jul-2023	Request for formal Written Quotation for 250 Blankets for Mandela Day	BWM cleaning services	R65000.00
3	Quotation 9-2023-2024	08-Sept-23	15-Sept-23	27-Sept-23	Request for formal Written Quotation for PPE for EPWP Project	BWN Cleaning Services	R180000.00
4	Quotation 10-2023-2024	08-Sept-23	15-Sept-23	18-Oct-2023	Request for Formal Written Quotation for Acquisition of Laptops	Thaboera IT solutions	R122570.00
5	Quotation 13-2023-2024	08-Sept-23	15-Sept-23	21-Sept-23	Request for formal Written Quotation for Procurement for material for EPWP Water Leakage Project	Kordoms Trading	R120094.00
6	Quotation 14-2023-2024	26-Sept-23	04-Oct-23	13-Oct-23	Request for formal Written Quotation for Procurement for 98 Performance Vouchers	Checkers	R69597.00
7	Quotation 16-2023-2024	16-Oct-23	23-Oct-23	15- Nov-23	Request for formal Written Quotation for renewal Of Kerio License	Thaboera IT Solutions	R59600.00
8	Quotation 17-2023-2024	16-Oct-23	23-Oct-23	21-Nov-23	Request for formal Written Quotation for Procurement of Renewal of CIBECS Endpoint Cloud Solution for 12 Months	URB ICT	R89617.20

Price Written Quotation Register 2023/2024

<u>#</u>	<u>Quotation Nr</u>	<u>Date advertised</u>	<u>Date closed</u>	<u>Date awarded (order)</u>	<u>Description</u>	<u>Quotation awarded to</u>	<u>Quotation Amount</u>
9	Quotation 19-2023-2024	17-Oct-23	23-Oct-23	03- Nov-23	Request for formal Written Quotation For Transport For Youth Empowa	N KASIMBUNGUE	R56000.00
10	Quotation 20-2023-2024	17-Oct-23	23-Oct-23	01-Nov-23	Request for formal Written Quotation For catering for Youth Empowa	BFK PROJECTS	R150 000.00
11	Quotation 21-2023-2024	30-Oct-23	07-Nov-23	17-Nov-23	Request for formal Written Quotation For Installation Of Security Gates	Hillgrow Construction and General services	R44204.00
12	Quotation 23-2023-2024	17-Nov-23	24-Nov-23	06-Dec-23	Request for formal Written Quotation for 89 Performance Vouchers	Black Pay finance co	R69810.00
13	Quotation 24-2023-2024	21-Nov-23	28-Nov-23	30-Nov-23	Request for formal Written Quotation for Supply of Cleaning Material	Sominia Holdings	R55000.00
14	Quotation 25-2023-2024	28-Nov-23	05-Dec-23	06-Dec-23	Request for Formal Written Quotation for Supply of Long Service Voucher	Checkers	R59100.00
15	Quotation 26-2023-2024	28-Nov-23	05-Dec-23	05-Dec-23	Request for Formal for Supply of Wellness Day Vouchers.	Checkers Upington	R39000.00
16	Quotation 28-2023-2024	12-Dec-2023	19-Dec-2023	21-Dec-23	Request for formal Written Quotation for 89 Performance Vouchers for Cleaning of Gutters at the ZFM DM Head Office	New Heaven enterprise	R69850
17	Quotation-29-2023-2024	12-Dec-2023	19-Dec-2023	21-Dec-23	Request for Formal Written Quotation for Repairs and Maintenance at Head Office	BWN Cleaning services	R81000.00

Price Written Quotation Register 2023/2024

<u>#</u>	<u>Quotation Nr</u>	<u>Date advertised</u>	<u>Date closed</u>	<u>Date awarded (order)</u>	<u>Description</u>	<u>Quotation awarded to</u>	<u>Quotation Amount</u>
18	Quotation 30-2023-2024	05-February 2024	12 February 2024	20-Feb-24	Request for formal Written Quotation For Fortigate 100 E Firewall Licence Renewal	Fist Technology	R37145.00
19	Quotation 32-2023-2024	04- March-2023	11-March 2024	15/03/2024	Request for formal Written Quotation for Back to School Campaign	Monalisa Catering	R87795.00
20	Quotation 34-2023-2024	05-April-2024	12-April -2024	06-Jun-2024	Request for formal Written Quotation for the Acquisition of HP Hard Disk Drive 1.2 Tb	BSA Rekenaardienste	R31500.00
21	Quotation 37-2023-2024	22-April-2024	29-April-2024	03/05/2024	Request for Formal Written Quotation for the Acquisition of Laptops	Mufasa OJM Trading	R112881.48
22	Quotation 39-2023-2024	09 May-2024	16-May-2024	21/05/24	Request for Formal Written Quotation for Skills Development	Pioneer Consulting	R583260.00
23	Quotation 40-2023-2024	09 May-2024	16-May-2024	21/05/24	Request for Formal Written Quotation for Skills Development	Pioneer Consulting	R770000.00
24	Quotation 41-2023-2024	09 May-2024	16-May-2024	05/06/24	Request for Formal Written Quotation for Skills Development	Pioneer Consulting	R440 000.00
25	Quotation 42-2023-2024	09 May-2024	16-May-2024	25/05/24	Request for Formal Written Quotation for Skills Development	Pioneer Consulting	R583260.00
26	Quotation 43-2023-2024	09-May-24	16-May-24	17/05/24	Request for Formal Written Quotation for Wellness Day Vouchers	Checkers	R111375.00
27	Quotation 44-2023-2024	10-June-24	17-June-24	25/06/ 24	Request for Formal Written Quotation for 101 F Enterprise License Renewal	Siraha Group	R58210.65

Price Written Quotation Register 2023/2024

<u>#</u>	<u>Quotation Nr</u>	<u>Date advertised</u>	<u>Date closed</u>	<u>Date awarded (order)</u>	<u>Description</u>	<u>Quotation awarded to</u>	<u>Quotation Amount</u>
28	Quotation 45-2023-2024	13-June-2024	20-June-2024	25/06/ 24	Request for formal Written Quotation for Metro Ethernet Connection for 12 Months	URB ICT	R171840.00

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2.9 WEBSITE

Municipal Website: Content and Currency of Material	
Documents published on the ZFM DM Website	Yes / No
Current Annual and Adjustments Budgets and all Budget-Related documents	Yes
All Current Budget-Related Policies	Yes
The previous Annual Report 2022/2023	Yes
The Annual Report 2023/2024 to be published in 2025	Yes
All current Performance Agreements 2023/2024 required in terms of Section 57(1)(B) of the Municipal Systems Act	Yes
All Service Delivery Agreements 2023/2024	Yes
All Long-Term Borrowing Contracts 2023/2024	N/A
All Supply Chain Management Contracts above a prescribed value R100 000 for 2023/2024	Yes
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 2023/2024	Yes
Contracts agreed in 2023/2024 to which subsection (1) of Section 33 applies, subject to subsection (3) of that section	N/A
Public-Private Partnership Agreements referred to in section 120 made in 2023/2024	N/A
All Quarterly Reports tabled in the Council in terms of section 52 (d) during 2023/2024	Yes

Comment on Municipal Website content and access:

Section 75(1) of the Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003) outlines the responsibilities of Municipalities regarding the publication of certain documents on their official websites. This section is a key part of promoting transparency, accountability, and public access to important financial information within municipalities. The ZF Mgcawu District Municipality has a fully functional Website that is maintained and updated by the Communication Unit. The Website Policy for the 2023/2024 financial year was reviewed and approved by the

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Council on the 31st of 30th of June 2023.

The Section 75 documents are made available online to ensure that the public has access to the District Municipality's financial operations and decisions. This transparency allows residents and other stakeholders to be informed and engaged in the District Municipality's financial management and planning processes and this can also be seen as a way of holding municipal officials accountable for their financial management decisions and performance.

Section 75(1) of the MFMA ensures that Municipalities comply with the legal requirements for the disclosure of financial and operational operations.

2.10 INTERNAL AUDIT

The ZF Mgcawu District Municipality's Internal Audit Unit plays a pivotal role in ensuring that the municipality operates with a high level of integrity, efficiency, and accountability. As mandated by Section 165(1) of the Municipal Finance Management Act (MFMA), No. 56 of 2003, this Unit functions as an independent body, providing objective assurance and advisory services to enhance the municipality's operations.

Key Responsibilities and Functions of the Internal Audit Unit

Risk-Based Audit Plan (Section 165(2)(a))

The Internal Audit Unit is required to prepare a risk-based audit plan and an internal audit program for each financial year. This plan is designed to prioritize areas of highest risk to the municipality, ensuring that resources are focused on critical areas where assurance is most needed.

Advisory and Reporting Duties (Section 165(2)(b))

The Internal Audit Unit provides advice to the Accounting Officer and reports to the Audit Committee on a wide range of matters, including:

Internal Audit: Evaluating the effectiveness of the District Municipality's Internal Audit processes and ensuring they align with best practices.

Internal Controls: Assessing the adequacy and effectiveness of internal controls in place to safeguard municipal assets and ensure reliable financial reporting.

Accounting Procedures and Practices: Reviewing the District Municipality's accounting procedures to ensure they comply with applicable standards and regulations.

Risk and Risk Management: Evaluating the District Municipality's Risk Management

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processes and providing recommendations for improvement.

Performance Management: Reviewing Performance Management Systems to ensure they effectively measure and support the achievement of the District Municipality's objectives.

Loss Control and Compliance: Monitoring and advising on measures to prevent and control losses and ensure compliance with the MFMA, the annual Division of Revenue Act, and other applicable legislation.

Mission and Approach:

The mission of the Internal Audit Unit, as articulated in the 2023/2024 Internal Audit Charter, is to provide independent, objective assurance and consulting services that add value and improve the municipality's operations. By employing a systematic, disciplined approach, the Internal Audit Unit aims to:

- **Enhance Risk Management:** Continuously evaluate and contribute to the improvement of Risk Management processes within the District Municipality.
- **Strengthen Control Mechanisms:** Ensure that internal controls are robust and effective in mitigating risks and safeguarding assets.
- **Promote Good Governance:** Support the District Municipality's governance structures by providing insights and recommendations that uphold accountability and corporate values.

Alignment with Professional Standards:

The Internal Audit Unit's approach is aligned with the definition provided by the Institute of Internal Auditors (IIA), which emphasizes the importance of internal auditing in adding value and improving an organization's operations through a systematic evaluation of risk management, control, and governance processes.

Through its comprehensive audit activities, the Internal Audit Unit of the ZF Mgcawu District Municipality ensures that the District Municipality's operations are conducted transparently, efficiently, and in accordance with applicable laws and regulations. This not only helps the District Municipality achieve its objectives but also preserves the public trust by promoting accountability and integrity within the organization.

Quality Assurance Review

According to the Institute of Internal Auditor's (IIA's) standards, external assessments should be conducted at least once every five years. The Quality Assurance Review determines whether an organization's internal audit program meets the expectations of the IIA's International Standards for the Professional Practice of Internal Audit.

Any organization that states its audits are "conducted in accordance with the IIA standards" must meet this five-year review requirement.

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The ZF Mgcawu District Municipality appointed a Service Provider to conduct a full External Quality Assurance Review to assess whether the ZFM District Municipality conforms with the mandatory elements of the International Professional Practice Framework (IPPF); namely; the definition of internal auditing; the core principles governing the practice of internal auditing; the standards and IIA's Code of ethics and offer opportunities for improvement. The approach followed with the review included analyzing documentation provided by the Internal Audit Unit, and completed surveys of the Audit Committee Chairperson, Acting Municipal Manager and Internal Auditors.

According to the Institute of Internal Auditors (IIA), the standards required for conformance with its Code of Ethics comprise of four principles, namely, integrity, objectivity, confidentiality, and competency. Each principle is accompanied by rules of conduct that Internal Auditors must implement to properly demonstrate the principle.

The overall assessment from the External Quality Assurance Review is that the Internal Audit Unit of the ZF Mgcawu District Municipality obtained a Generally Conform (GC) status, therefore the District Municipality generally conforms to mandatory internal auditing requirements of the International Professional Practice Framework (IPPF).

In terms of the Quality Assurance Report issued by the External Quality Assurer, the ZFM Internal Audit Unit have conformed with amongst others the Code of Ethics and core Principles for the Professional Practice of Internal Auditing.

Policies approved for 2023/2024

Policies approved for 2023/2024	Date Approved
Audit Committee Charter	Audit Committee: 17 April 2023 Council: 31 May 2023
Internal Audit Charter	Audit Committee: 26 June 2023 Council: 30 June 2023
Internal Audit Manual and Methodology	Audit Committee: 17 April 2023
Internal Audit Strategic and Operational Plans	Audit Committee: 26 June 2023 Reviewed on 05 December 2023

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Internal Audit Programme

The Internal Audit Programme is included in the approved Operational Plan which was approved by the Audit Committee on the 26th of June 2023. All activities within the plan were executed. The Internal Audit Unit was also evaluated on its performance every quarter.

Internal Audit Reports 2023/2024

Quarterly Reports according to the approved Internal Audit Plan	Presented to the Audit Committee
Quarter 1 Internal Audit Reports completed	10 October 2023
Quarter 2 Internal Audit Reports completed	05 December 2023
Quarter 3 Internal Audit Reports completed	15 April 2024
Quarter 4 Internal Audit Reports completed	24 June 2024

Internal Audit Unit (Staff)

Six Staff members	Qualification	Years of Experience in Audit
GB Cloete Deputy Director: Internal Audit	1. Baccauareus Commercii, 2. Higher Diploma in Education 3. Certificate in Advanced Program Risk Management 4. Certificate Programme in Management Development for Municipal Finance (CPMD) 5. Internal Audit Technician (IAT) 6. Professional Internal Audit (PIA) Assessment to be completed	20 Years
J Shorty Unit Manager Internal Audit	1. Bachelor of Theology Degree 2. Diploma in Education 3. Certificate in Professional Practice for Internal Auditors 4. Certificate in Municipal Finance 5. National Certificate in Municipal Finance Management 6. Internal Audit Technician (IAT) 7. Professional Internal Audit (PIA) Assessment to be completed	21 Years
J van der Westhuizen Internal Auditor	1. Diploma in Internal Auditing 2. Internal Audit Technician (IAT)	15 Years (Transferred on

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	3. Professional Internal Audit (PIA) Assessment to be completed	01 May 2024)
B Clarke Internal Auditor	1. National Diploma: Internal Auditing 2. Municipal Finance Management Program 3. Internal Audit Technician (IAT) 4. Professional Internal Audit (PIA) Assessment to be completed	15 Years
BS Mabala Internal Auditor	1. National Diploma: Internal Auditing 2. Registered Professional Accountant Diploma	6 Years
R Malgas Intern: Internal Audit	1. National Diploma: Internal Auditing	3 Years and 6 Months

2.11 AUDIT COMMITTEE

The ZF Mgcawu District Municipality's Audit Committee plays a crucial role in maintaining and enhancing the governance framework of the District Municipality. Established in accordance with Section 166 of the Municipal Finance Management Act (MFMA) No. 56 of 2003, this Committee serves as an independent advisory body, contributing significantly to the way the District Municipality is directed and controlled.

Key Responsibilities and Functions of the Audit Committee:

The Audit Committee advises the Council, the Accounting Officer, and Management on various critical matters, including:

Internal Financial Control and Internal Audits: Ensuring that financial controls are robust and that internal audits are conducted effectively to safeguard municipal assets and ensure accurate financial reporting.

Risk Management: Evaluating the District Municipality's Risk Management strategies to ensure that risks are identified, assessed, and mitigated appropriately.

Accounting Policies: Reviewing and advising on the adoption and implementation of accounting policies that comply with relevant standards and regulations.

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Financial Reporting: Assessing the adequacy, reliability, and accuracy of financial reporting and information, ensuring transparency and accountability in the District Municipality's financial practices.

Performance Management: Monitoring and evaluating the Performance Management System to ensure that it effectively supports the District Municipality in achieving its strategic objectives.

Governance: Promoting effective governance practices, ensuring that the District Municipality operates within the framework of applicable laws and regulations, including the MFMA.

Legislative Compliance: Reviewing the District Municipality's compliance with the MFMA, Local Government: Municipal Planning and Performance Management Regulations, 2001, and other relevant legislation.

Performance Evaluation: Assessing the District Municipality's overall performance, including financial and service delivery outcomes, to provide a credible view of its efficiency and effectiveness.

The Audit Committee plays a vital role in promoting accountability by monitoring the District Municipality's response to risks and overseeing the effectiveness of the internal control environment. This includes evaluating both financial and performance reporting to ensure that the District Municipality meets its service delivery objectives.

Review of Annual Financial Statements:

The Audit Committee is responsible for reviewing the District Municipality's annual financial statements. This review is critical for providing an authoritative and credible assessment of the District Municipality's financial health, efficiency, effectiveness, and compliance with legislation.

Compliance with Statutory Responsibilities:

The Audit Committee of the ZF Mgcawu District Municipality adheres to its statutory responsibilities as outlined in:

Section 166(2) of the MFMA: This section outlines the composition, duties, and responsibilities of the Audit Committee, emphasizing its role in advising on financial management, governance, and performance.

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Regulation 14(4) of the Local Government: Municipal Planning and Performance Management Regulations, 2001: This regulation reinforces the Committee's role in performance management and its duty to monitor and review the District Municipality's performance and compliance with legislative requirements.

2023/2024 Approved Audit Committee Charter: This charter details the specific duties, powers, and responsibilities of the Audit Committee, ensuring that it operates within a clear and defined framework.

The Audit Committee is integral to the ZF Mgcawu District Municipality's governance and oversight processes. By fulfilling its advisory and monitoring roles, the Committee ensures that the District Municipality operates efficiently, complies with applicable laws, and meets its service delivery objectives. This ultimately enhances the Municipality's accountability, transparency, and overall effectiveness in serving its community.

Members of the Audit Committee

Name of Member	Qualifications	Period of Appointment	Experience
Mrs. Maré Venter	B. Accounting Professional Accountant (SA)	01 January 2018 – 31 December 2020 01 January 2021 – 31 December 2023	6 Years
Khotso Abel Nkoe	B Com Degree Advance Diploma in Accounting Chartered Accountant Certified Risk Management Professional (Board 2 exam)	01 January 2023 – 31 December 2025	7 Years and 6 months
Ursula Thys	Post Graduate Diploma in Law Certificate in Business Management Honours in Industrial Psychology BA Personnel Management	01 January 2023 – 31 December 2025	1 Year and 6 months
Lekuka Simon More	Baccalaureus Legum (LLB)	01 January 2024 – 31 December 2026	6 months

Audit Committee Meetings 2023/2024

Date	Activity	Status
21 - 22 August 2023	Review of the Annual Financial Statements, Annual Report and Annual Performance Report	The meeting took place as scheduled
10 October 2023	Quarterly Audit Committee meeting: Internal Audit Activities Quarter 1 and all standing items.	The meeting took place as scheduled
15 November 2023	Handover Meeting	Special Audit Committee meeting
05 December 2023	Quarterly Audit Committee meeting: Internal Audit Activities Quarter 2 and all standing items.	The meeting took place as scheduled
17 April 2024	Quarterly Audit Committee meeting: Internal Audit Activities Quarter 3 and all standing items.	The meeting took place as scheduled
24 June 2024	Quarterly Audit Committee meeting: Internal Audit Activities Quarter 4 and all standing items.	The meeting took place as scheduled

Audit Committee Reports tabled to Council

The Audit and Performance Committee reports only twice in a financial year to Council as determined in the approved Audit Committee Charter. The Audit and Performance Committee Charter determined that the Audit and Performance Committee should report to Council in March and in August of each financial year. The Audit Committee reported to the Council on the 30th of August 2023. Due to the vacant position of Chairperson and Audit Committee member, the Audit Committee only reported to Council on 31st of May 2024. A resolution was also taken during the Audit Committee meeting of 24 June 2024 that the Audit Committee will report to Council on a quarterly basis.

2.12 PERFORMANCE MANAGEMENT

The ZF Mgcawu District Municipality's approach to Performance Management is guided by the requirements of Section 38(a)(b)(c) of the Municipal Systems Act, 32 of 2000. This section mandates that each Municipality establish a Performance Management System (PMS) that is appropriate for its resources, best suited to its specific circumstances, and aligned with the priorities, objectives, indicators, and targets outlined in its Integrated Development Plan (IDP). The aim is to promote a culture of Performance Management across all levels of the District Municipality, ensuring that it operates in an economical, effective, efficient, and accountable manner.

Key Requirements of Section 38 of the Municipal Systems Act:

The PMS must be designed to match the District Municipality's available resources, ensuring that it is both practical and sustainable. The Performance Management System should be tailored to the unique circumstances of the District Municipality, taking into account its size, capacity, and the specific challenges it faces.

The Performance Management System must be directly linked to the priorities, objectives, indicators, and targets set out in the District Municipality's Integrated Development Plan, ensuring that all efforts are focused on achieving the strategic goals of the District Municipality.

Roles and Responsibilities:

Council: The Municipal Systems Act places the responsibility on the Council to adopt the Performance Management System. The Council is responsible for ensuring that the system is in place and that it effectively drives the District Municipality's strategic objectives.

Executive Mayor: The Executive Mayor is tasked with the development and management of the PMS. However, this responsibility is often delegated to the Acting Municipal Manager.

Acting Municipal Manager: The Acting Municipal Manager is responsible for the overall development, implementation, and management of the Performance Management System. This

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includes ensuring that the system is operational and that it meets the legal and strategic requirements set out in the Municipal Systems Act.

Senior Management: Senior Managers are responsible for executing the Performance Management System within their respective Departments. They ensure that their teams adhere to the system and work towards the targets and objectives set out in the Integrated Development Plan (IDP).

Responsibilities of the Performance Management Unit:

The Performance Management Unit ensures that all legal aspects of Chapter 6 of the Municipal Systems Act are implemented and adhered to. This includes aligning the PMS with the legal requirements and ensuring ongoing compliance. The Performance Management Unit is responsible for the continuous development and refinement of the PMS. As the District Municipality's needs evolve, the system must be updated to reflect these changes and remain relevant. The Unit provides continuous support to the District Municipality in implementing, assessing, reviewing, monitoring, and reporting on performance. This support ensures that the Performance Management System is applied effectively across all Departments.

The Performance Management Unit ensures the general application of performance management within the District Municipality. This includes training and supporting staff to understand and use the system effectively. The Unit monitors the implementation of the Performance Management System to ensure that it is applied fairly and correctly. This includes checking that performance evaluations are conducted objectively and that all aspects of the system are functioning as intended.

The establishment and operation of a Performance Management System in the ZF Mgcawu District Municipality are essential for achieving its strategic goals and ensuring good governance. By adhering to the requirements of Section 38 of the Municipal Systems Act and the roles and responsibilities outlined in this framework, the District Municipality can maintain a high standard of performance, accountability, and service delivery.

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Service Delivery and Budget Implementation Plan (SDBIP)

Section 1 of the Municipal Finance Management Act defines the Service Delivery and Budget Implementation Plan (SDBIP) as a comprehensive strategy endorsed by the Mayor of a Municipality to facilitate the delivery of services and the execution of its annual budget. The SDBIP is crucial in translating the goals outlined in the Integrated Development Plan (IDP) into actionable projects and ensuring alignment with the budget of the District Municipality, as mandated by the Municipal Finance Management Act.

Section 53(1)(c)(ii) of the Municipal Finance Management Act places the responsibility on the Executive Mayor to approve the District Municipality's SDBIP within 28 days of the budget approval. The SDBIP for the 2023/2024 financial year was endorsed by the Council on May 31, 2023, and formally approved by the Executive Mayor on June 11, 2023.

The SDBIP It presents projects as 'indicators' that are in line with the strategies, objectives, and developmental priorities of the District Municipality, it enables the monitoring of budget spending through the Performance Management System and it breaks down indicators into quarterly targets for ongoing performance monitoring, with some indicators requiring monitoring on a semi-annual or annual basis.

Performance Management Reports 2023/2024

The Quarterly Report, prepared as part of the SDBIP, is the primary method of reporting progress to both the Council and the community. This report provides a transparent and accurate account of the District Municipality's performance against its quarterly targets. It serves as a communication tool, ensuring that all stakeholders are informed about the progress made and the challenges encountered.

When reporting back on performance, it is crucial to provide a clear and comprehensive account of the progress made, particularly in relation to the targets set in the Service Delivery and Budget Implementation Plan (SDBIP). The Performance Management Unit reports to the Council quarterly on both the qualitative and quantitative outcomes of the evaluations. The report to the Council does amongst others compares the actual performance against the set targets to highlight successes and areas of improvement.

Effective performance reporting is essential for maintaining accountability, transparency, and continuous improvement within the ZF Mgcawu District Municipality. By detailing achievements, addressing unmet targets, and outlining corrective measures, the District Municipality can ensure that it remains on track to meet its strategic goals and fulfil its commitments to the community.

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The Quarterly Report, as part of the SDBIP, plays a critical role in this process, providing a structured and consistent method for reporting progress to both the Council and the broader community.

- The Quarter One Report was tabled to Council on 24 November 2023
- The Quarter Two Report was tabled to Council on 24 February 2024
- The Quarter Three Report was tabled to Council on 31 May 2024
- The Quarter Four Report has not been tabled to Council by year-end

Performance Audit Committee

The Performance Audit Committee is a Committee that the Performance Management Unit should report to on performance-related matters. The ZF Mgcawu District Municipality does not have a Performance Audit Committee; therefore, the existing Audit Committee is used to perform this function.

Panel Review for the Acting Municipal Manager Section 54 and Section 56 Employees

The ZF Mgcawu District Municipality has established a structured process for evaluating the performance of its senior managers, specifically those in Section 54 (Acting Municipal Manager) and Section 56 (other senior managers) positions. This process is guided by the Performance Management Framework, which details the composition of the Performance Evaluation Committees and outlines the steps involved in the performance evaluation process.

The Performance Evaluation Committees are responsible for determining the percentage of performance bonuses awarded to senior managers. These Committees are composed according to the guidelines set out in the Performance Management Framework, ensuring that evaluations are conducted fairly and transparently.

The performance review of the Acting Municipal Manager is conducted by the Executive Mayor. During this review, the Acting Municipal Manager's performance is discussed, and ratings are assigned based on the agreed-upon performance indicators and targets. The performance review for Section 56 employees is conducted by the Acting Municipal Manager, with each senior manager reviewing their performance against the set targets.

After the initial review and rating, the evaluations are further assessed by a panel composed of specific individuals as outlined in the Performance Management Framework. This panel is responsible for ensuring that the ratings are consistent and that the evaluation process adheres to

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the established guidelines. The performance evaluations for the Acting Municipal Manager and Section 56 employees took place on March 14, 2024. During these evaluations, the respective committees and panels reviewed the performance of the senior managers, providing a basis for determining performance bonuses and identifying areas for improvement.

This structured approach ensures that the performance of senior managers is evaluated rigorously and that any bonuses awarded are reflective of their contributions to the District Municipality's objectives. The involvement of the Executive Mayor, Acting Municipal Manager, and a designated evaluation panel provides a balanced and comprehensive review process, fostering accountability and continuous improvement within the municipality's leadership team.

Performance Evaluation of Section 54 Employees

Name of Member	Capacity/Position
Cllr. M.C Basson	Chairperson [Executive Mayor]
Cllr. A. Johnson	Councillor
Dr. E. Ntoba	Municipal Manager Dawid Kruiper Local Municipality
Mr. L. More	Chairperson Audit Committee

Performance Evaluation of Section 56 Employees

Name of Member	Capacity/Position
Mr A.K Tieties	Acting Municipal Manager: ZF Mgcawu District Municipality
Cllr. A. Johnson	Councillor
Mr. L. More	Chairperson Audit Committee
Dr. E. Ntoba	Municipal Manager Dawid Kruiper Local Municipality

Performance Bonuses

The Council of the ZF Mgcawu District Municipality adopted the recommendations of the Performance Evaluation Committees at a Council meeting held on the 25th of March 2024. We herewith report on the performance bonuses awarded to Section 54 and 56 employees as follows:

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Item	Status
Names of section 54 and 56 Managers that were awarded bonuses	<ul style="list-style-type: none">AK TietiesI. De WaalD.J. Van ZylE. Isaacs
The number of bonuses awarded to section 54 and 56 managers	Acting Municipal Manager (AK Tieties) R 108 180.08
	Director of Corporate Services (DJ Van Zyl) R 182 872.57
	Director of Financial Services (E. Isaacs) R 141 317.93
	Director of Planning and Development (I De Waal) R 141 317.93
TOTAL ACTUAL	R 573 688.51

The ZF Mgcawu District Municipality did make provision in its 2023/2024 Annual Budget for the awarding of performance bonuses to Senior Management.

2.13 PUBLIC SATISFACTION ON MUNICIPAL SERVICE

During the year under review, the District Municipality did not engage in any public satisfaction surveys.

2.14 OVERSIGHT COMMITTEE

The ZF Mgcawu District Municipality has done away with its Oversight Committee and has established a Municipal Public Accounts Committee (MPAC) in line with the guidelines issued by the National Treasury and the Department of Cooperative Governance.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

3.1 HOUSING

The Housing Unit of the ZF Mgcawu District Municipality derives its mandate from Section 26(1)(2) of the Constitution of South Africa, which states that;

- 1) Everyone has a right to have access to adequate housing, and
- 2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

The role of the Housing Unit in the District is to plan and manage the Human Settlement Development Programmes and Projects, Beneficiary Management and providing Technical Quality Control amongst others.

ZF Mgcawu District Municipality is an Accredited Level 2 Municipality with the responsibility to perform Human Settlement functions on behalf of the 4 Local Municipalities, which are, Kai !Garib, !Kheis, Tsantsabane and Kgatelopele Local Municipalities within the District. Dawid Kruiper Municipality, which came out of the amalgamation between Mier and //Khara Hais Municipalities, is also an Accredited level 2 Municipality and is responsible for the planning and implementation of the projects within their Jurisdiction. However, the District still supports the Dawid Kruiper Municipality including playing an oversight role in the implementation of their projects.

The Housing Unit has been actively engaged with Local Municipalities to support the implementation of the District Municipality's mandate to deliver housing within the Framework of

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Sustainable Human Settlements. This collaboration ensures that housing needs are adequately addressed across the District and that projects are implemented effectively.

During the 2023/2024 financial year, the District has embarked on the following programmes and projects:

Housing Needs Register Database

As part of Beneficiary Management, the Housing Unit conducted the National Needs Register Roadshows to the Local Municipalities during each quarter. The purpose of the National Housing Needs Register (NHNR) Roadshows is to inform and encourage the communities to register their housing need on the National database which assists in the planning and budgeting for the implementation of various housing human settlement programmes.

During the NHNR Roadshows, the communities were able to register their housing needs and those that were already registered were also able to update their status on the system. Due to the repetition of the filling of manual NHNR Forms where the beneficiaries were found to have registered more than one time in the system, the Housing Unit resolved to move away from manual capturing and do the electronic capturing of the forms on site.

Housing Consumer Education

The Housing Unit has conducted Housing Consumer Education programs in Kgatelopele, Tsantsabane, !Kheis, and Kai !Garib Local Municipalities. These sessions are specifically designed for beneficiaries of ongoing housing projects. The objective of Housing Consumer Education is to inform beneficiaries about their rights, responsibilities, and the processes involved in owning and maintaining their homes. This initiative is part of a broader national priority program aimed at educating beneficiaries who have received houses from the government since 1994.

While Housing Consumer Education was aimed at beneficiaries who are linked to the projects, the Housing Unit also conducted Housing Consumer Education to those members of the communities who have not benefited from the housing subsidies to inform them about the different housing opportunities available. This also assists the beneficiaries to be able to identify their housing needs and making an informed decision when registering their needs on the NHNR database.

The following are the manual topics that were presented during the process of conducting Housing Consumer Education Sessions with the Local Municipalities:

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1. Maintaining and caring for your home

This module consists of ten tips that teach homeowners how to care for and maintain their houses

2. What is Title Deeds

This module taught the beneficiaries about the importance of Title Deed as a legal document that proves ownership including the process involved in transferring the property into one's name.

3. Owning a House

This Module is of very importance for beneficiaries who have just received their new houses to understand the economic values of being a homeowner. It also advises homeowners on the importance of leaving a Will which records what should happen when they pass away.

4. FLISP (First Time Home Owner)

This Module is aimed at the so-called 'missing middle' who are home seekers who cannot qualify for a subsidy house and at the same time does not qualify to buy a house through a mortgage loan.

The following is the summary of the roadshows that were conducted during the 2023/2024 financial year;

MUNICIPALITY	AREA	DATES OF NHNR SESSIONS
Kai! Garib	Kakamas	22 September 2023
Kai! Garib	Hash Valley	28 & 29 September 2023
Kgatelopele	Danielskuil	08 November 2023
Tsantsabane	Postmasburg	09 November 2023
Tsantsabane	Postmasburg & Carnation	19 & 20 March 2024
Kgatelopele	Danielskuil	04-12 April 2024
Kai! Garib	Lennertsville	08-10 May 2024

Title Deeds Restoration Programme

The Department of Human Settlements in the Northern Cape appointed a team of Conveyancers to serve in each of the Local Municipalities in the ZF Mgcawu District. The Conveyancers were introduced by the Department in Upington on the 30th of January 2024. The follow-up sessions were held with the Conveyancers, COGHSTA and the Municipalities on the 15th of May 2024 where discussions were held regarding the scope of work for the appointed conveyancers and information that is or will be required from each party.

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The District Municipality, together with COGHSTA and the Local Municipalities are actively engaged in the Title Deeds Restoration Programme and have prioritized the eradication of the Title Deeds backlog, especially the old stock, pre- and post-1994.

The appointed Conveyancers will be assisting in the implementation of the Programme, especially in resolving the disputes over the properties.

During the NHNR Roadshow in Kakamas (Hash Valley), Kai! Garib, on the 28th and 29th of September 2023 the District and COGHSTA embarked on a Title Deeds Rectification Programme. This Programme was aimed at verifying the beneficiaries on the sites where they were residing against the Municipality and Human Settlement database or records. There were discrepancies that were identified and these are some of the issues that are to be elevated to the Conveyancers for resolution.

Support for Housing Project Implementation:

The Housing Unit supports Local Municipalities in the implementation of housing projects, ensuring that they align with the standards set for quality and sustainability. This support includes quality control measures to ensure that the housing projects meet the required specifications and standards.

Challenges in Project Implementation:

Despite the ongoing support, there are challenges in the implementation of both new and existing housing projects. Some projects have experienced delays, and these delays are often due to issues with the approval process, funding allocations, or project readiness. Housing projects in the District are generally implemented in phases, with subsidies approved by the Province based on the demand database. However, the phased allocation of resources can sometimes slow down the completion of projects.

Collaborative Efforts with COGHSTA:

To address these challenges, the ZFMDM Housing Unit, in collaboration with the Department of Cooperative Governance, Human Settlements, and Traditional Affairs (COGHSTA), has engaged with Local Municipalities to discuss the Project Pipeline and Project Readiness Matrix. These engagements are designed to assess the readiness of identified projects to receive funding and commence implementation. By ensuring that projects are ready for execution, the District

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Municipality can more effectively fulfil its accreditation mandate and expedite the delivery of housing.

This collaborative approach aims to streamline the process of housing delivery, ensuring that the needs of communities within the District are met efficiently and that housing projects are completed within the anticipated timelines. The ongoing support and engagement with Local Municipalities and COGHSTA are crucial in overcoming challenges and achieving the District Municipality's housing goals.

Accreditation and Allocation Committees

The District Municipality established the Allocation Committees in partnership with the Kai! Garib, !Kheis, Tsantsabane, and Kgatelopele Local Municipalities. These Allocation Committees are responsible for developing criteria for selecting beneficiaries for new housing projects. This approach replaces the previous system of using a waiting list for beneficiary allocations.

Projects

The Department of Human Settlement in the Northern Cape embarked on a developmental strategy to get the projects ready for Housing development. According to the Project Readiness Matrix (PRM) and the Project Pipeline, the housing projects can only be implemented in those areas that have satisfied the requirements of readiness. The Construction of houses were halted from sites that are not serviced to allow for the Township establishments and Civil Services to be implemented first before the houses are built. Currently, many sites are serviced and ready to receive the houses.

The President of South Africa launched an R1 Billion Housing Project in the whole of Northern Cape during his visit to Kimberley on the 18th of January 2024. The ZF Mgcau District Municipality received 500 Houses in this project which are in the Dawid Kruiper Municipality (450) and !Kheis Municipality (50) respectively.

The MEC of Human Settlement in the Northern Cape, Honorable Bentley Vass visited the ZFM District on the 09th of March 2024 to introduce the 500 housing project to the Municipalities within the District. A separate function was held by the MEC to introduce the Contractor for the 200 Houses in Rosedale and Smarties locations, which is part of the 500 allocation to the District.

There were challenges regarding the selection of these projects for implementation because the projects were selected due to the state of readiness, where the Services are fully available. The areas where these services were installed are mainly the new informal settlements which has

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resulted in the older settlements being left out of the development. In most cases, these new settlements have a lot of young Households than the older settlements which have the majority of older persons.

The other challenge that the District is facing is regarding the previous projects that have been approved and were being implemented in phases but could not continue with the other phases. These projects are in a situation where currently they have to undergo the town establishment and services installation before they can be implemented as they no longer qualify in the Project Readiness Matrix.

In addition, there are blocked projects, currently in Skeyfontein and Wegdraai in the Tsantsabane and !Kheis Municipalities, that had the contracts terminated due to the non-performance of the Contractors. These Projects have non-compliances that are not easy for the next contractor to accept and continue to bring the projects to completion. The District will be engaging with the Human Settlement Department so that the District can be in a position to implement some of these projects as part of our Accreditation mandate.

Township Establishment Projects in ZFM

Town	Amount
Wegdraai	360 plots
Topline	248 plots
Opwag	730 plots
Groblershoop	1517 plots
Boegoeberg	550 plots
Gariep	135 plots
Grootdrink	387 plots
Plangeni/Blaauwskop	50 hectare
Gamakor	1541 plots
Danielskuil	3000 plots
Pensfontein (Postmasburg)	1500 plots

Civil Services Projects

A total of 7846 stands were serviced and are ready for house construction as per the Project Readiness Matrix. In addition, a total of 4460 stands were being serviced in the Tsantsabane

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Municipality and will also be ready for a Mixed Development Project.

MUNICIPALITY	Town	Total Serviced Stands
Kai! Garib	Gamakor	1500
!Kheis	Opwag	748
!Kheis	Grobbershoop	1539
Dawid Kruiper	Jurgenskamp	165
Dawid Kruiper	Smarties	324
Dawid Kruiper	Rosedale 1	400
Dawid Kruiper	Rosedale 2	438
Dawid Kruiper	Rosedale 3	452
Dawid Kruiper	Paballelo North East	990
Dawid Kruiper	Paballelo	881
Dawid Kruiper	Dakota Road	409

New Housing Projects

These are projects that are part of the R1 Billion Housing Projects in the Northern Cape that have been allocated to the ZF Mgcawu District Municipality

MUNICIPALITY	Town	Total Houses Allocated
!Kheis	Opwag	50
Dawid Kruiper	Jurgenskamp	50
Dawid Kruiper	Smarties	50
Dawid Kruiper	Rosedale 1	50
Dawid Kruiper	Rosedale 2	50
Dawid Kruiper	Rosedale 3	50
Dawid Kruiper	Paballelo North East	50
Dawid Kruiper	Paballelo	50
Dawid Kruiper	Paballelo (Makwetla Valley)	50
Dawid Kruiper	Dakota Road	50

Below are the new allocations within the ZF Mgcawu District in the Dawid Kruiper Municipality which are still to commence and for which Contractors have already been appointed for these projects.

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MUNICIPALITY	Town	Total Houses Allocated
Dawid Kruiper	Various Towns – Leerkrans (12), Ntsikelelo (12), Karos (12), Lambracht drift (12)	48
Dawid Kruiper	Military Veterans Houses	14
Dawid Kruiper	Rietfontein Rectification	191
Dawid Kruiper	Individual Houses	5

Blocked Housing Projects

The blocked Projects are a challenge to the District Municipality due to the impact it has on the beneficiaries that were waiting for their houses to be completed.

MUNICIPALITY	Town	Total Houses
!Kheis	Wegdraai	50
Dawid Kruiper	Military Veterans Houses	185

Discontinued Housing Projects

The following are the Projects that were previously approved but cannot continue to their next Phases or are currently on hold. Attention must be drawn to these projects so that they are successfully completed.

MUNICIPALITY	Town	Total Approved
Tsantsabane	Maranteng	300
Tsantsabane	Groenwater	485
!Kheis	Grootdrink	248
!Kheis	Topline	122
!Kheis	Wegdraai	178
Kgatelopele	Danielskuil	835

3.2 SPATIAL PLANNING AND LAND USE MANAGEMENT

The ZF Mgcawu District Joint Municipal Planning Tribunal, established under the Spatial Planning and Land Use Management Act (SPLUMA) 16 of 2013, plays a crucial role in managing land development within the District. Hosted by the ZF Mgcawu District Municipality, this tribunal ensures that land development applications submitted to Local Municipalities are reviewed and decided upon in a timely and structured manner.

The ZF Mgcawu District Municipality was responsible for the establishment of the Joint Municipal Planning Tribunal. This involved coordinating with various Local Municipalities within the district to ensure that the tribunal was set up in accordance with the requirements of SPLUMA.

The District Municipality successfully hosted quarterly tribunal sittings throughout the 2023/2024 financial year. These sittings were essential for the disposal of land development applications, ensuring that decisions were made efficiently and within the required timeframes.

During the tribunal sittings, the applications for land development submitted by the Local Municipalities were thoroughly reviewed. The tribunal's decisions aimed to facilitate orderly development while adhering to the principles of spatial planning and sustainable land use management.

The ZF Mgcawu District Municipality has taken on a crucial role in supporting Local Municipalities in the management and processing of Land Development Applications (LDAs) under the framework established by the Spatial Planning and Land Use Management Act (SPLUMA) 16 of 2013. The District Municipality ensured that all LDAs were fully completed and ready for consideration as prescribed by SPLUMA. A Professional Town Planner provided recommendations on these applications to ensure compliance with planning regulations and policies. The District Municipality has assumed responsibility for managing all processes related to the lodgement of LDAs, ensuring that applications are complete and meet the necessary requirements for tribunal consideration.

Support Provided by the District Municipality

Establishing Appeal Tribunals

The District Municipality assisted Local Municipalities in establishing appeal tribunals and adopting appeal procedures to ensure that applicants have a fair process for challenging decisions.

Land Use Management Systems

Support was provided for the approval and implementation of Land Use Management Systems, including training on SPLUMA-related matters for Local Municipality officials. The District Municipality also drafted capital contributions for LDAs and evaluated Spatial Development Frameworks (SDFs) and Land Use Schemes (LUS), ensuring they were SPLUMA-compliant.

Legislative and Procedural Guidance

The District Municipality helped Local Municipalities adopt Land Use Management Bylaws in line with SPLUMA, provided inputs on township establishment in collaboration with the Department of Cooperative Governance, Human Settlements, and Traditional Affairs (COGHSTA), and Heads of Departments, and facilitated the signing of Memorandums of Understanding. The District Municipality served as a member of committees responsible for reviewing SDFs and LUS, providing critical oversight and input to ensure that planning documents were aligned with national and provincial guidelines.

Through these efforts, the ZF Mgcawu District Municipality has significantly enhanced the capacity of Local Municipalities to manage land development effectively, ensuring that applications are processed efficiently and in compliance with SPLUMA and other relevant legislation. This proactive approach has been crucial in addressing the challenges faced by applicants and in promoting sustainable development across the District.

3.3 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

3.3.1 LOCAL ECONOMIC DEVELOPMENT (LED)

The Local Economic Development (LED) Unit within the ZF Mgcawu District Municipality plays a vital role in fostering economic growth and improving the quality of life for residents by encouraging local collaboration and strategic initiatives. The goal of LED is to create sustainable economic development that leads to tangible benefits and an improved quality of life for all residents within the District Municipality. This approach allows local people, businesses, and government entities to work together towards common economic objectives.

The LED Unit offers direct assistance to provincial and local government in implementing economic development initiatives. This support is crucial for ensuring that economic policies and strategies are effectively translated into action at the local level. A significant focus of the LED Unit is on building the capacity of local stakeholders, including government officials, community leaders, and businesses. By enhancing their skills and knowledge, the LED Unit empowers local actors to contribute more effectively to the economic development of the area. The LED Unit plays a central role in facilitating and coordinating donor-funded programmes. It ensures that these programmes are aligned with local economic priorities and monitors their implementation to maximize their impact on the community.

The LED Strategy of the ZF Mgcawu District Municipality was adopted in May 2018. The strategy outlines the District Municipality's approach to stimulating local economic growth and development. It was developed in collaboration with the Provincial Department of Economic Development and Tourism (DEDaT) and incorporated inputs from various stakeholders across the District through consultative sessions.

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The implementation of the LED strategy faces challenges, particularly in terms of securing the necessary human and financial resources. Without adequate resources, it is difficult to execute the initiatives and achieve the goals set out in the strategy.

Functionality of LED Forum and dates of meetings for 2023/2024

i. Transformation and Job Creation Implementation Forum

This forum was established by the Provincial Department of Economic Development and focuses on driving transformation and job creation initiatives within the District. It serves as a platform for discussing and coordinating efforts to enhance economic opportunities for local residents.

ii. Economic Collaborative Forum

Formed by the Dawid Kruiper Municipality LED Unit, this forum aims to foster collaboration among various economic stakeholders within the Municipality. It plays a crucial role in ensuring that local economic initiatives are aligned and that stakeholders work together towards common goals.

LED Forum Meetings for 2023/2024	
Transformation and Job Creation Implementation Forum	Economic Collaborative Forum
19 – 20 July 2023 Virtual Platform	28 March 2024 Dawid Kruiper Council Chambers
02 November 2023 Virtual Platform	
22 February 2024 Virtual Platform	
22 May 2024 Virtual Platform	

LED Projects

The Department of Science and Innovation (DSI), in partnership with the Technology Innovation Agency (TIA), has tasked the Human Sciences Research Council (HSRC), to appraise and map out the innovation landscape (i.e. innovation infrastructure, entrepreneurs, businesses, organizations, their networks and all other relevant institutions) of the Karoo region. The Department of Science

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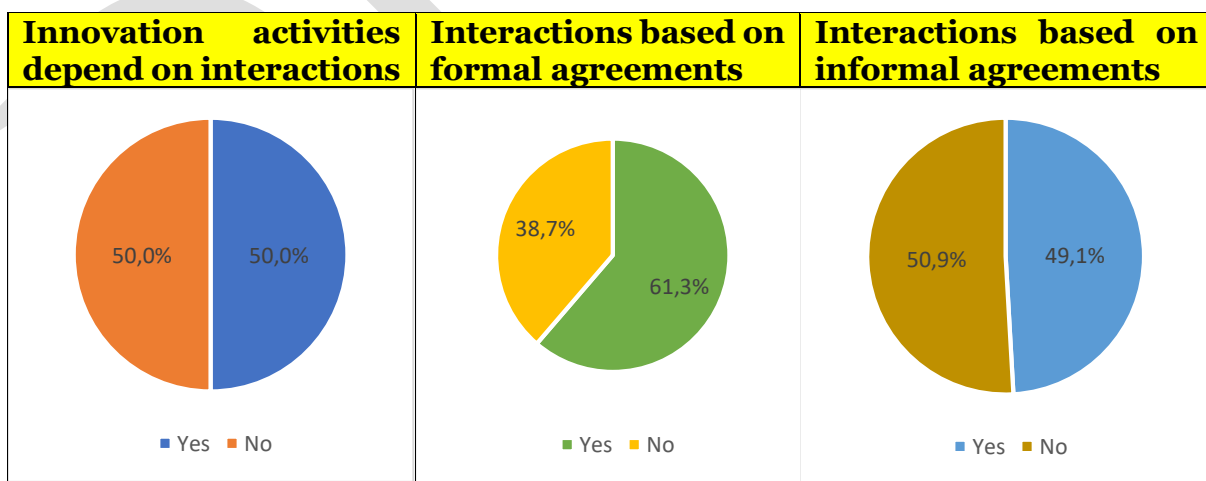
and Innovation and the Technology Innovation Agency requires this information to for the development of an inclusive and locally grounded regional innovation strategy, in support of SALGA's initiative on Small-Town Regeneration and Regional Economic Development (STR & RED Programme) project which started in 2022.

Networks drive Innovation in ZF Mgcawu District Municipality

Innovators in ZF Mgcawu District Municipality see relationships and interactions with stakeholders outside their enterprises as key drivers of their innovation performance. How these relationships and interactions are built for innovation offers critical insights into the types of networking that drive innovation. One direct benefit of innovation networks is the expansion of the pool of new ideas, knowledge, and information. In the long term, the positive spillovers from networking that enhance innovative performance can range from job creation to promoting greater socioeconomic equality.

One in two innovators in ZF Mgcawu say that networking drives the inputs they use to innovate and how they share their innovations. This demonstrates the importance of networking in the District and more importantly, it demonstrates the form of networking among the minority of innovators who interact with external actors who aid innovation.

Networking is mainly through formal interactions and relationships, as about one in three of innovators are involved in networks build around formal contracts (see figure below). Informal networks are equally important, with about half of the innovators indicating that they are engaged in interactions without formal agreements



What is to be done?

Strengthening networks for innovation in ZF Mgcawu must draw on learnings from innovators who have succeeded in building agile relationships with external partners in their innovation setting. Both formal and informal networks are crucial. Non-formal networking is often free from barriers, which means that innovators can join such networks with ease and also exit without restrictions. However, in order for innovation networks in ZF Mgcawu to yield more benefits, it is crucial for innovators and their supporters to transform existing networks into self-sustaining networks for innovation.

LED Training and Awareness Drive

Training of SMME's in the ZF Mgcawu District Municipality on how to apply for Township and Rural Entrepreneurship Programme (TREP) conducted by Department of Small Business Development (DSBD) together with its agencies Small Enterprise Development Agency (SEDA) and Small Enterprise Finance Agency (SEFA) the ZF Mgcawu District Municipality played an important part in liaising with the stakeholders in organizing the training for the SMME's. Below are the dates of the training in each Local Municipality:

DATE	LOCAL MUNICIPALITY	TIME	VENUE
20 November 2023	Kgatelopele	10H00	Town Hall
20 November 2023	Tsantsabane	12H00	Town Hall
21 November 2023	Kai !Garib (Kakamas)	09H00	Council Chambers
21 November 2023	Kai !Garib (Keimoes)	12H00	Library
22 November 2023	Dawid Kruiper	10H00	Piet Thole Community Hall
23 November 2023	!Kheis	10H00	Love Life Centre

ZF Mgcawu District Municipality in partnership with Empowa Youth hosted a three-day Youth and Investment Summit focusing on Youth empowerment and opportunities within key economic sectors. The summit took place from 26 – 28 October 2023 in Upington.

Through its LED Unit, the ZF Mgcawu District Municipality is committed to driving sustainable economic growth by leveraging local resources, fostering collaboration, and overcoming challenges in strategy implementation. The active participation of local stakeholders and the functionality of LED forums are crucial to achieving the goals set out in the LED strategy.

3.3.2 TOURISM

Tourism activities and campaigns during 2023/2024

Meeting	Date	Venue
Tourism Provincial Marketing Meeting by the Northern Cape Tourism Authority	20 October 2023	Virtual Platform
Tourism Monitors Programme in the Northern Cape	23 January 2024	Evelina De Bruyn Boardroom
Northern Cape Tourism Programme Strategic Planning Session	30 - 31 January 2024	Repa Boutique Guest lodge, Kimberley
Tourism Project Initiative by the Regional Department of Economic Development and Tourism	21 February 2024	Virtual Platform
The Northern Cape Local Government Tourism Peer Learning by the National Department of Tourism and SALGA	11- 12 June 2024	Virtual Platform
Establishment of the Northern Cape Provincial Tourism Safety Forum by the Provincial Department of Economic Development and Tourism	14 June 2024	Virtual Platform

Activities and Campaigns

The Green Kalahari office within the ZF Mgcawu District Municipality had a productive and impactful 2023/2024 financial year, marked by a series of activities and campaigns aimed at promoting tourism in the region. Below is an overview of the key activities and campaigns undertaken during the year:

Annual Tourism Awareness Campaign

The ZF Mgcawu Tourism Unit together with Dawid Kruiper conducted the Annual Tourism Awareness Campaign. The campaign took place on the 29th of September 2023 and it aimed to raise awareness about local tourism offerings and market various tourism entities within the

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District. Tourists entering the town were welcomed at different petrol stations located on the entrance and exit routes of the town.

The campaign coincided with the Kalahari Kuierfees, a popular event that attracts numerous tourists to the area, making it an ideal time to engage with visitors. The campaign successfully reached 687 tourists who were in Upington for the Kalahari Kuierfees and the school holidays. This engagement helped promote local tourism businesses and increased awareness of the District's attractions.

Facility Visits

The annual Facility Visits program took place from the 13th of December 2023 to the 20th of December 2023 and aims to gather information on tourism facilities across the district, focusing on marketing opportunities and challenges faced by these establishments. The Green Kalahari Tourism Unit visited various tourism facilities throughout the District. The team collected data on the facilities' marketing efforts and identified challenges that needed addressing. The information gathered was compiled into a report, which was presented at the Tourism Provincial Marketing Forum meeting. This report provided valuable insights into the state of tourism facilities and helped inform future marketing and support initiatives.

Caravan Show

The Tourism Unit attended the Caravan Show, an event comparable to Europe's Salon Dusseldorf, where the latest caravans, trailers, motorhomes, and accessories are showcased. The Unit had the opportunity to represent and promote the Green Kalahari region at Southern Africa's largest caravan and motorhome exhibition. The Green Kalahari region received exposure to a broad audience of potential tourists and buyers, highlighting the area's tourism potential and attractions. The Caravan Show was held at the Gallagher Estate on the 23rd -25th February 2024.

Africa's Travel Indaba

The Green Kalahari office and the Dawid Kruiper Municipality collaborated in attending the annual Africa's Travel Indaba at the Durban International Convention Centre (ICC) from the 14-16 May 2024. The 2024 Indaba was successful, with high levels of activity and engagement from buyers and sellers, reminiscent of the event's most prosperous years. This participation helped reinforce the Green Kalahari's presence in the broader tourism market and fostered valuable connections with industry stakeholders.

These activities and campaigns underscore the commitment of the Green Kalahari office to promoting tourism in the ZF Mgcawu District and supporting local tourism entities. By engaging with tourists, visiting facilities, and participating in major exhibitions, the District has strengthened its tourism profile and laid the groundwork for future growth.

3.4 EXTENDED PUBLIC WORKS PROGRAMME (EPWP)

The Expanded Public Works Programme (EPWP) is a key initiative in South Africa designed to alleviate poverty and provide income relief through temporary employment, particularly targeting the unemployed and poor segments of the population. The program plays a critical role in empowering individuals by offering them the opportunity to participate in socially beneficial activities while gaining valuable work experience and skills.

The EPWP aims to provide immediate income relief by creating work opportunities for unemployed individuals, particularly in marginalized and impoverished communities. The program focuses on equipping participants with practical skills and work experience that enhance their employability, improving their chances of securing long-term employment or starting their own businesses. The participants in the programme are engaged in activities that benefit the community and public services, ensuring that the work carried out under the EPWP contributes to social and economic development.

The EPWP provides unemployed individuals with access to temporary work, enabling them to earn a stipend while contributing to community development projects. Participants receive on-the-job training and are often involved in skills development programs that are tailored to the specific work being undertaken. This training is intended to build the competencies needed to improve participants' future job prospects. By participating in the EPWP, individuals gain work experience, build a work history, and develop new skills, all of which are intended to improve their chances of finding sustainable employment or starting their own businesses in the future. Overall, the EPWP is an essential tool in South Africa's efforts to address unemployment, reduce poverty, and promote social inclusion by providing meaningful work and training opportunities to those in need.

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The ZF Mgcawu District Municipality received R 999 000 allocation for the 2023/2024 financial year as an EPWP Incentive Grant with a 13 Full-Time Equivalent target

A total of 6 projects were identified and approved by the Northern Cape Province which are as follows:

1. Water leakage repair-Kheis
2. Small Business Support-Bakery
3. Routine maintenance ZFM head office
4. Roof and gutter repairs
5. Thembelihle Old Age Day Care Centre support
6. Cleaning of illegal dumping sites

The District Municipality undertook several impactful initiatives under the Expanded Public Works Programme (EPWP) during the 2023/2024 financial year to support local communities and address various needs. Here's an overview of the projects:

The District decided to assist! Kheis Local Municipality with the water leakage project given the fact that they did not receive an EPWP Incentive Grant for the 2023/2024 financial year. The project yielded much-needed results and a lot of appreciation, given its impact at other Local Municipalities where it was implemented with the focus on continuation in terms of job creation and addressing the sanitation need. The project focused on creating job opportunities and addressing crucial sanitation needs, demonstrating the effectiveness of the EPWP in improving community infrastructure and livelihoods.

We also identified the small business support of a bakery to assist an upcoming bakery business trying to establish them in the community of Paballelo. With the identification of routine maintenance, we decided to continue with the routine maintenance given the lack of workers for executing routine maintenance at both the Head Office and its Satellite Office

The District Municipality extended its support to the social sector by assisting Thembelihle Old Age Home. This involved funding extra labour for cleaners and gardeners, ensuring that the facility remained well-maintained for its residents. This support was crucial in maintaining the quality of care provided at the old age home, reflecting the District's commitment to the well-being of its vulnerable residents. The District Municipality concluded its EPWP activities with an initiative focused on cleaning illegal dumping sites.

These initiatives highlight the District Municipality's commitment to addressing local needs through the EPWP, creating job opportunities, supporting small businesses, maintaining public

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infrastructure, and improving the quality of life for its residents.

Project Aims:

- Providing temporary job opportunities for the youth and unemployed
- Reservation of our natural water resource
- Repair household water leakages
- Restore dignity of our people by replacing broken dysfunctional toilet pans and cisterns.
- Alleviating poverty by creating temporary jobs for the unemployed
- Assist upcoming small business
- Waste management
- Assist in providing labour at the Thembelihle old age home for the assistance in cleaners and gardeners.

Project Completion

1. Water Leakage repairs in !Kheis Local Municipality

- Identified temporary EPWP workers were 42 throughout the project duration
- Project duration: 18 July 2022 to 26 August 2022
- Temporary EPWP Workers were inducted by the Independent Development Trust
- Toolboxes were handed over to project supervisors for continuing their trade and create an income for themselves after project completion as a form of capacitation.
- Participants were identified by the province enterprise sector to be capacitated within their trade and through other value added means and completed capacitating programmes provided by the province
- Workers received protective clothing
- Households water leakages and pots were installed
- Water taps were installed
- Basin traps prepared
- Water access from outside connections to some household were installed.

A total number of 8 FTE's were created

2. Small Business Support-Bakery

Identified temporary EPWP workers were 6 throughout the project duration

Project duration: 01 February 2024 to 03 May 2024

Salaries for the workers were paid during the project.

A total number of 1.6 FTE's were created

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3. Routine maintenance ZFM head office

- Identified temporary EPWP workers were 03 for the 2023/2024 financial year
- All workers conducted daily routine maintenance work at Head Office and Satellite Office

A total number of 3 FTE's were created

4. Roof and Gutters repairs

- Service provider appointed
- Service provider appointed 06 workers for project duration
- Cleaning of gutters and reparation as well as replacing downpipes
- General Roof repairs and patches.

A total number of 0.52 FTE's were created

5. Thembelihle Old Age Day Care Centre support

- Employed 06 temporary EPWP workers during project duration
- Project duration 13 November 2023 until 23 January 2024
- Assisted Thembelihle Old Age Day Care Centre by employing people that would assist with gardening and cooking

A total number of 1.66 FTE's were created

6. Cleaning of illegal dumping sites

- Employed 42 temporary workers during project duration
- Project duration 15 September 2023 until 06 October 2023
- Engaged with cleaning litter and waste.

A total number of 2.8 FTE's were created

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FTE Summary

Project	Duration	Work Opportunities	Days Worked	FTE's
!Kheis Water Leakage Repairs	14 August 2023- 27 October 2023	42	44	08
Small Business Support-Bakery	01 February 2024- 03 May 2024	06	63	1.6
Cleaning of Illegal Dumping Sites Kai !Garib	15 September 2023- 06 October 2023	43	15	2.80
Support Thembelihle Old Age Home	13 November 2023- 23 January 2023	08	48	1.66
Refurbishment of ZFM DM offices (Service Provider appointed)	02 January 2024- 29 January 2024	06	20	0.52
ZFM Routine Maintenance	01 July 2023- 30 June 2024	03	230	03
Total		108	420	17.58

3.5 RURAL ROADS ASSET MANAGEMENT SYSTEM GRANT (RRAMS)

The Rural Roads Asset Management Systems (RRAMS) Grant is a strategic initiative aimed at strengthening the capacity of District Municipalities in managing road assets, particularly in rural areas. The primary purpose of the RRAMS Grant is to assist District Municipalities in establishing and improving their Road Asset Management Systems. This includes the collection of road and traffic data, which is crucial for making informed decisions about road maintenance and infrastructure investment. The program aligns with the Road Infrastructure Strategic Framework for South Africa (RISFSA), ensuring that the data collected and the systems developed are in line with national standards and strategic objectives.

The RRAMS Grant includes a graduate recruitment program focused on recruiting qualified candidates, especially in civil engineering or related fields, to participate in a job graduate development program. This program primarily targets graduates who need practical experience to fulfill graduation requirements, aligning with their academic and career goals. The initiative is designed to build road sector management capacity at the Local Government level, ensuring that Municipalities have skilled professionals to manage and maintain road infrastructure effectively.

The ZF Mgcalu District Municipality is currently at level II in terms of its Road Asset Management Systems. This indicates a certain level of maturity in the management of road assets, though there may still be areas for further development and improvement.

The RRAMS program aims to improve the accuracy and comprehensiveness of data on municipal rural roads, which is essential for guiding infrastructure maintenance and investment. Improved data quality can lead to reduced vehicle operating costs and better road management.

The program involves developing asset inventories and Fixed Asset Registers (FAR) that conform to national guidelines. These inventories consider the attributes, extent, and location of road assets, based on both existing data and field observations during data collection activities.

This initiative is crucial for the sustainable management of rural road infrastructure, ensuring that resources are effectively allocated and that road networks are maintained to support economic

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activities and improve the quality of life in rural areas. The RRAMS Grant not only enhances road management but also provides valuable professional development opportunities for young graduates entering the field.

Inventory Assessment

The Rural Roads Asset Management Systems (RRAMS) Inventory Assessments are a critical component of the RRAMS Grant, focusing on the comprehensive evaluation and documentation of road assets within the District Municipality. These assessments provide the necessary data to guide maintenance, investment, and management decisions for rural roads.

There were no inventory assessments conducted in the 2023/2024 financial year. The graduates will only conduct assessments where there is an upgrade, construction of a new road and maintenance of an ancillary asset.

Visual Assessments

Technical Methods for Highway Manual for Visual Assessment

The Technical Methods for Highway Manual (TMH9) for Visual Assessment of road pavements is the guiding tool for visual assessments of the condition of the roads at the network level for use in pavement management systems.

This tool allows for the District Municipality to determine the following:

- The condition indices
- The maintenance and rehabilitation needs, and
- The priorities at the Network level

The process involves analysis of the stress upon the road network whereby visual characteristics are classified under Attributes of Distress (Type, Degree, Extent and Spacing/Activity where applicable).

The District Municipality used the Fulcrum system to capture the information collected while conducting visual assessments within the Local Municipalities of the ZF Mgcawu District Municipality.

Assessed Local Municipalities

The table below shows the length of the road network assessed for the 2023/2024 financial year. The focus for the financial year was on the visual roads assessments for unpaved roads as stipulated in the Business plan.

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Local Municipality	Road Network Length (km)		
	Earth	Gravel	Total
Kgatelopele	9.38	37.91	47.29
Kai !Garib	147.44	55.60	203.04
Tsantsabane	56.44	116.79	173.23

The RRAMS Visual Assessments for unpaved roads were conducted in Kgatelopele Local Municipalities, Kai !Garib Local Municipality and Tsantsabane Local Municipality. The visual assessment condition for paved roads will be conducted in the 2024/2025 financial year for the two Local Municipalities which are!Kheis Local Municipality and Dawid Kruiper Local Municipality. The Gravel Roads Management System (GRMS) reports were compiled by the graduate technicians and will be handed to the three Local Municipalities during one one-on-one meetings.

RRAMS Traffic Counts

Traffic monitoring and axle load is the process of measuring and collecting various traffic and vehicle characteristics such as traffic count and axle loads. These characteristics are mainly intended for use in engineering management, planning, and design of road networks and infrastructure. Traffic counts were not conducted in the 2023/2024 financial year. Traffic counts are planned to be conducted in the 2024/2025 financial year in two Local Municipalities which are Tsantsabane and Kai !Garib.

RRAMS Training Report

Many Local Municipalities are facing a situation where experienced engineers are nearing retirement. This creates a skills gap that needs to be filled by the next generation of engineers. The loss of skilled engineers who seek opportunities abroad further exacerbates the shortage of technical expertise within Local Municipalities. This trend underscores the urgent need for developing new talent within the country. The RRAMS Programme actively recruits young graduates, particularly those with qualifications in civil engineering or related fields, to participate in the Programme.

This recruitment not only provides immediate assistance in managing road assets but also prepares these graduates for future roles within local government. The Programme ensures that

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these graduates work alongside experienced engineers, allowing for hands-on learning and the transfer of critical skills. This mentorship is essential for developing the technical proficiency and practical knowledge needed for effective infrastructure management.

Improved technical capacity within District Municipalities directly translates into better service delivery. With a strong team of engineers, Municipalities can more effectively manage road assets, reducing the likelihood of infrastructure failures and improving overall road safety and accessibility.

The graduate's technician attended one training or short course of Spatial intelligence data science in the 2023/24 financial year as one of the training stipulated in the Business Plan.

The RRAMS Grant's prioritization of graduate appointments is a strategic approach to addressing the current challenges in the engineering field within District Municipalities. By focusing on capacity building, the Programme ensures that the necessary skills are retained and developed locally, which is vital for maintaining and improving infrastructure in the long term.

3.6 ENVIRONMENTAL HEALTH AND AIR QUALITY MANAGEMENT

3.6.1 ENVIRONMENTAL HEALTH

Environmental Health Services (EHS) is a function of District and Metropolitan Municipalities in South Africa in terms of Section 32 (1) of the National Health Act 2003 (Act 61 of 2003), as amended and stipulates that "Every Metropolitan and District Municipality must ensure that appropriate municipal health services are effectively and equitably provided in their respective areas."

The ZF Mgcawu District Municipality provides the surveillance and prevention of communicable diseases, general hygiene monitoring, health surveillance of premises, disposal of the dead, and water quality management.

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Environmental Health comprises those aspects of human health, (including the quality of life) which are determined by physical, chemical biological, social, and psycho-social factors in the environment. It also refers to the theory and practice of ascertaining, correcting, controlling, minimizing, and preventing those factors in the environment that can potentially harm the health of the present and future generations.

Functions of Environmental Health Services:

(a) Surveillance and Prevention of Communicable Diseases

The District Municipality is responsible for monitoring the spread of communicable diseases and implementing measures to control and prevent outbreaks. This includes vaccination campaigns, health education, and the management of quarantine facilities when necessary. The EHS team is trained to respond swiftly to disease outbreaks, conducting investigations and coordinating with health authorities to mitigate the impact on the population.

(b) General Hygiene Monitoring

Inspection of Public Spaces: Regular inspections of public spaces such as markets, schools, and food establishments are conducted to ensure compliance with health regulations. This helps prevent the spread of diseases and maintains high hygiene standards.

Enforcement of Hygiene Standards: The EHS Unit enforces hygiene standards by issuing notices and penalties to non-compliant entities. This includes ensuring that food handling, waste management, and sanitation facilities meet required standards.

(c) Health Surveillance of Premises

Premises Inspections: The health of the community is closely tied to the condition of the premises where they live, work, and socialize. The EHS unit conducts inspections of residential, commercial, and industrial premises to identify and rectify any health hazards.

(d) Disposal of the Dead

Management of Burial Sites: The District Municipality oversees the management of burial sites and crematoriums to ensure they are operated according to health and safety standards. This includes the proper handling and disposal of human remains to prevent environmental contamination.

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Regulation of Funeral Services: The EHS Unit regulates funeral services, ensuring that all practices meet legal and health requirements. This includes the transportation and storage of bodies, as well as the operation of funeral parlours.

(e) Water Quality Management:

Water Monitoring: Ensuring the quality of water sources is a critical function of EHS. Regular testing and monitoring of drinking water sources are conducted to ensure they are free from contaminants and safe for consumption.

Pollution Control: The unit works to prevent water pollution by monitoring industrial discharges and agricultural runoff, as well as enforcing regulations related to wastewater treatment and disposal.

Public Health Education: The EHS team educates the community about the importance of water conservation and proper sanitation practices to maintain water quality.

The ZF Mgcawu District Municipality, through its Environmental Health Services, plays a vital role in safeguarding public health by addressing environmental factors that could harm the health of its residents. The effective management of these services is essential for the well-being of the community, ensuring that both current and future generations enjoy a healthy environment.

Area of jurisdiction

ZF Mgcawu District rendered Environmental Health Services in the Dawid Kruiper, !Kheis, Kai !Garib, Tsantsabane and Kgatelopele local municipal areas during the financial year 2023/2024

Current Operations

There are 8 EHP's (Environmental Health Practitioners) operating in the ZF Mgcawu District Municipal area. Of these EHPs, 2 are in management positions, which leaves 6 operational EHPs which gives an average of 1 EHP to every 42000 of the population. The national norm is 1 EHP for every 10 000 of the population.

The vast distances in the province of 102 484km² make it even more of a challenge to render a proper Environmental Health Service. This risk was added to the Risk Register. The operations of environmental health form part of the IDP and comprise the rendering of Municipal Health Services in the region, according to the Scope of the profession of Environmental Health as

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described in Regulation No. R. 698 of 26 June 2009.

Planning

The Environmental Health Unit compiles an Annual Strategic Operational Plan for every financial year and this EH Strategic Plan 2023/2024, guided the operations of the Environmental Health Unit in the ZF Mgcawu District Municipality.

Health Indicator	Definition
Water	Water Quality Monitoring
Sanitation	Monitor state of general sanitation in the community and monitoring of sewage treatment works
Waste Management	Waste site monitoring, clean environment, and health care waste monitoring.
Food Control	Regular inspections of food premises and compliance with Regulation R638 regarding hygiene on food premises.
Hygiene	The general hygiene of premises and the state of the environment at Pre, primary and Secondary schools, Early Childhood Development Centers, Guest Houses, Old age homes, Retirement villages etc.

Reporting

The Environmental Health Unit report on its operations as follow:

- Monthly DHIS (District Health Information System) to the Department of Health.
- Monthly to the Mayoral Committee of ZF Mgcawu District Municipality.
- Quarterly a comprehensive Environmental Health Report were send to every Local Municipality where the ZF Mgcawu District Municipality renders an Environmental Health service and these Environmental Health Quarterly Reports addresses all issues under the scope of practice for Environmental Health Practitioners.

Evaluation

Operations and production of the Environmental Health Unit as indicated in the IDP and then unpacked in the SDBIP, is reviewed quarterly through the performance management and SDBIP evaluation systems on all environmental health operations in the ZF Mgcawu District Municipality.

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There is also a Risk Management profile for the EH Unit in ZFM and the control measures on that is also monitored quarterly.

Auditing

The Environmental Health Unit was also audited by the Internal Audit Unit of ZFM for the 2023/2024 financial year. The EH Unit was also audited by the External Auditor Board of the National Department of Environmental Health in February 2024 and scored a proud and remarkable 85 %

Environmental Health Operational Campaigns 2023/2024

Compliance Monitoring of Tuckshops

The Environmental Health Unit participated in an Inter-Provincial Cross Border Operation consisting of different stakeholders such as the South African Police Service (SAPS), Immigration/Home Affairs, Liquor Board, and the Department of Labour. The Operation was held in Upington on the 21 -22 of February 2024.

On 29 February 2024, the Environmental Health Unit participated in a Cross Border Operation held in the Kalahari area, to conduct monitoring compliance at Tuckshops situated in that area.

The purpose of the Operations was to monitor compliance of food premises with regards to Regulation R638 of the Foodstuffs, Cosmetics, and Disinfectants Act, 1972 (Act No.54 of 1972) and to educate the South African Police Service Station Commanders and Business Owners within ZFM on expired goods and best before dates. The Environmental Health Unit also conducted Joint Compliance Monitoring of Tuck shops at the ZFM District Service Delivery Programme which was led by the Executive Mayor and Ward Councillors. These joint Operations took place in the Dawid Kruiper Municipality, Kai !Garib Municipality and !Kheis Municipality.

Challenges

- Food premises operating without a permit from the Local Municipalities.
- Food premises without a valid Certificate of Acceptability.
- Inaccurate database of all Tuckshops for all Local Municipal areas.
- The absence of Municipal By-Laws on the regulation of Tuckshops in all Municipal areas
- The absence of law enforcement of these local municipal By-Laws.
- Ineffective to non-existing pest control programmes, using animals such as cats as a means of pest control.
- Food that has passed the expiry dates was found on the shelves.

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- Selling of food products that were not properly labelled in accordance with the Labelling Act

The Environmental Health Unit conducted radio segments on the local station to raise awareness about loadshedding and its effects on food safety, the integrity of the food chain, and the importance of maintaining proper temperature control.

Events Hosted in the ZF Mgcawu District

The Environmental Health Unit played an active role in food control during events, Ministerial and Presidential programs, as well as social and sports events hosted within the District, and facilitated by the South African Police Service.

Participation during the Food outbreak in South Africa on a District level during March 2024

Weekly meetings were held with the South African Police Service, Border Control representatives, the Liquor Board, the Gambling Board, the Consumer Protector, Local Economic Development Departments of Local Municipalities, various other Departments, the Senior State Prosecutor, and many more. Several operations were carried out in the District, during which tuck shops were inspected. Certain food products were seized and destroyed, and prohibition orders were issued to tuck shops found to be non-compliant.

Water Monitoring

In addition to continuous monthly water quality monitoring, Environmental Health initiated an additional monitoring campaign, since various purified water premises opened during 2023/2024. Environmental Health evaluated, set requirements, took samples and submitted samples to an accredited local laboratory for analyses in terms of Water Legislation. Certificates of Acceptability were issued to compliant premises.

Notifiable Diseases

Environmental Health is a profession rooted in proactiveness and prevention. During the 2023 Cholera outbreak, Environmental Health actively participated in local awareness campaigns through the distribution of flyers and information dissemination at the District, School, and Health facilities, in collaboration with the Provincial Department of Health. A contingency plan was implemented and presented to the Mayoral Committee to update the Council on the status and occurrences of the outbreak, as well as to outline precautionary measures for Cholera prevention

3.6.2 AIR QUALITY MANAGEMENT

Air Quality Management is a mandated function of Metro and District Municipalities, including the ZF Mgcawu District Municipality. This responsibility is guided by the National Environmental Management – Air Quality Management Act 39 of 2004 and the National Dust Regulations, R827 of 1 November 2013. Within the ZF Mgcawu District Municipality, Air Quality Management is an integral part of the Environmental Health function, overseen by a designated Air Quality Officer (AQO) appointed under Section 14 of the National Environmental Management Air Quality Act 2004 (Act no. 39 of 2004). The Air Quality Officer operates within the Environmental Health Services staff component.

The powers and functions of Air Quality Management are stipulated as follows:

Constitution of the Republic of South Africa (Act 108 of 1996):

Part B of Schedule 4 lists air pollution as a Local Government matter, as detailed in sections 155(6)(a) and (7). Section 156(1)(a) indicates that a Municipality has the right to administer Local Government matters listed in Part B of Schedule 4 and Part B of Schedule 5, including Air Quality matters.

National Health Act (Act 61 of 2003):

Notice 1229 of 2015, National Environmental Health norms and standards, Chapter 1, Section 4(2) includes the National Environmental Management Air Quality Act, 2004 (Act no. 39 of 2004) as part of the legislative framework for Environmental Health norms and standards. Chapter 2, Section 10 of the Norms and Standards for Environmental Health describes Air Quality Management as part of the Scope of Practice for Environmental Health under environmental pollution control of premises.

The ZF Mgcawu District Municipality, through its AQO and EHP staff, ensures compliance with these legislative frameworks to maintain and improve air quality, thereby protecting public health and the environment.

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Key functions and main activities for the financial year ending 30 June 2024 were:

- The second generation Air Quality Management Plan 2024 and the Air Quality Management By-Laws were developed for the ZF Mgcawu District Municipality and it was approved by Council on the 27th of June 2024. The Air Quality Management By-Laws will be published in the Northern Cape Provincial Gazette during the 2024/2025 financial year.
- Public participation in the Air Quality Management Plan (AQMP) and By-laws included stakeholder meetings, notifications to internal and external stakeholders, awareness initiatives for local municipalities, and advertisements on the ZFM website and in local newspapers

The Air Quality Unit enjoys good partnerships with the Provincial Department of Agriculture, Environmental Affairs, Rural Development and Land Reform through the Provincial Quarterly Air Quality Management Forum meetings.

The Department serves as the custodian of this forum, which is designed to fulfil the following functions:

- The forum is held quarterly and rotates through the 5 Districts in the Northern Cape.
- The meetings alternate between on-site visits to air-quality licensed facilities and formal boardroom meetings.
- The forum also serves as an educational platform utilized by the Department to disseminate best practices, raise awareness, and ensure that Air Quality Officers at Provincial and District levels are consistently informed about the latest developments in the complex and ever-evolving field of Air Quality Management in South Africa.

Forum Meetings 2023/2024

Air Quality Forum Meetings 2023/2024
21 September 2023
07 November 2023
06 March 2024
20 June 2024

Awareness

The Air Quality Management Unit conducted quarterly awareness campaigns in the community relating to air quality, environmental management and climate change. The awareness campaigns take on the form of distributing pamphlets from door to door and at libraries.

During the last quarter of the year under review, the awareness campaigns focused primarily on the development of the current Air Quality Management Plan and the accompanying By-Laws.

Challenges

The primary challenges facing Air Quality Management (AQM) in ZFM District include:

Funding: AQM is a highly specialized field that necessitates advanced training and equipment. This requires additional funding for monitoring tools and ongoing staff training to keep up with new developments. However, the current budget for ZFM is constrained, and budget cuts and cost-saving measures limit the ability to fully implement and manage AQM activities.

Appointment of Air Quality Officials: Given that Air Quality Management (AQM) is a highly scientific and rapidly evolving field, it is crucial to continuously educate and train Air Quality Officers. ZFM should prioritize the training of new AQ officers to ensure they are fully qualified and capable within the next five years, as the current officer is expected to retire by then.

3.7 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The ZF Mgcawu District Municipality's Information and Communication Technology (ICT) Unit is a vital component of the organization, providing essential ICT services and support to all Departments, Employees, and Councillors. The ICT Unit is responsible for managing the architecture, hardware, software, and networking of the District Municipality's computer systems, ensuring that all employees have the necessary access to perform their duties efficiently.

Functions of the Information and Communication Technology (ICT) Unit

Network Infrastructure: Planning, designing, procuring, implementing, managing, and maintaining the District Municipality's information and communication technology network infrastructure.

Server Management: Configuring, procuring, implementing, managing, and maintaining municipal application servers, file servers, and print servers.

Procurement: Procuring ICT equipment and software for all Directorates, ensuring that the technology meets the organization's needs.

Installation and Repair: Installing and repairing all ICT equipment to ensure continuous functionality and support for the organization's operations.

System Maintenance and Backups: Planning, designing, and developing daily, weekly, and monthly back-end processing procedures, including the maintenance and system backups of all servers to ensure data integrity and availability.

Access Control and Policy Enforcement: Maintaining and monitoring access to municipal ICT facilities, ensuring adherence to Council policies related to ICT.

The priorities of the Unit include but are not limited to ICT Risk Management, ICT security management, safeguarding of ICT assets, disaster recovery and continuity of operations as well as rendering support to Local Municipalities.

Improvements to the Information Technology Infrastructure

- The Municipality went out on Tender and implemented new Conference and Recording system for the council room, which integrates with internet for virtual meetings as well.
- The continuous procurement and acquisition of laptops was done to replace laptops of employees and upgrade to new windows 11 Pro operating systems to ensure its compatible and eligible for security updates and meet the current requirements to be compatible with the ICT environment

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- The District Municipality implemented the Human Resource, the Supply Chain Management module on the new Mscoa system. Payroll and asset module will follow in the 2024/2025 financial year.

Policies and procedures that were implemented

All existing policies were reviewed and approved during the 2023/2024 financial year.

Policies reviewed and approved for 2023/2024	Date Approved
ICT User Account Management Policy	31 May 2023 and 30 June 2023
ICT Backup Policy	
ICT Change Control Policy and Procedure	
ICT Helpdesk Policy	
ICT Infrastructure Capacity Planning Policy	
IT Governance Charter	
IT Risk Management Policy	
Prince 2 Project Management Policy	
IT Service Level Agreement Policy	
ICT Security Controls Management Policy	
ICT Disaster Recovery Policy	
IT Strategic Plan Policy	
IT Waste Management Policy	
IT Governance Framework (Cobit 5)	
ICT Business Impact Risk Analysis	

ICT Units' Capacity

Four ICT Interns provided by the Vodacom training were appointed to assist the ICT Department from 1 April 2024 – 31 July 2024.

One ICT Intern is on a program of LGSETA from 1 September 2023.

The District Municipality will try and make use of ICT interns regularly, to minimize the personnel costs and to assist with the transfer of skills to other people.

ICT Meetings and Reporting Structures

The ICT Steering Committee and the IT Advisory Committee meetings were held every quarter to address IT functions and to monitor progress made on the IT Audit Recovery.

ICT forms part of the Risk Management Committee and Audit Committee, where ICT reports on IT Risks and Audit issues. These meetings occur quarterly. The ICT Unit reports on challenges experienced within the Unit pertaining and matters related to ICT risks, audits, capacity, training, security, infrastructure and funding constraints among others.

Quarterly risk assessments are conducted to identify, mitigate and monitor any ICT risks.

Challenges Experienced by the ICT Unit of ZF Mgcawu District Municipality

During the year under review, the ICT Unit of the ZF Mgcawu District Municipality faced several significant challenges, which impacted their ability to provide optimal support and services. These challenges were, amongst others:

Requirements for Improvements and Upgrades

Funding

The ICT Unit needs consistent funding to ensure continuous improvements, maintenance, and upgrades of their systems. Without adequate funding, it is challenging to keep up with technological advancements and ensure the systems remain efficient and up-to-date.

Training

Financial resources are necessary to provide training for staff, enabling them to stay current with the latest technologies and best practices.

Business Continuity and Security:

Additional controls and measures need to be implemented to enhance business continuity and improve overall security. These measures also require funding to be effectively put in place.

Additional Personnel:

There is a critical need for more staff to improve and support the ICT infrastructure. The current staffing levels are insufficient to handle the growing demands and complexities of maintaining the

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ICT systems within the District Municipality. To sustain and maintain the ICT infrastructure and environment effectively, the existing ICT personnel require enhanced training. This training is necessary to build the capacity of the team, ensuring they have the skills and knowledge to manage and support the technology effectively.

IT Support to Local Municipalities

IT Security assessments were completed for !Kheis Local Municipality and Kgatelopele Local Municipality during the 2023/2024 financial year.

Quarterly IT Advisory meetings were held to assist, advise, support, and monitor IT Functions within B municipalities in the District.

IT Advisory Meetings for 2023/2024
20 September 2023
9 November 2023
23 February 2024
10 May 2024

Challenges Experienced with Local Municipalities

- No funding and budgets available for ICT infrastructure.
- The importance of ICT within the Municipalities is not realized as an value delivery and driver.
- Municipalities do not have sufficient ICT personnel and capacity training for supporting ICT environment.
- The attendance of IT Advisory meetings and availability of ICT officials from Local Municipalities is not up to standard.
- Local Municipalities do not always cooperate with ICT Security assessments that need to be conducted.

3.8 DISASTER MANAGEMENT

The Disaster Management Act, 57 of 2002, provides a comprehensive framework for managing disasters in South Africa. The Act emphasizes the importance of an integrated and coordinated approach to Disaster Management, which includes the following key components:

Integrated Disaster Management Policy

The Act focuses on preventing and reducing the risk of disasters through proactive measures. It also highlights the importance of emergency preparedness, ensuring that communities and authorities are ready to respond rapidly and effectively when disasters occur. Post-disaster recovery and rehabilitation are also critical components, aimed at restoring normalcy and reducing the long-term impact of disasters.

Municipal Disaster Management Centres

The Act mandates the establishment of Municipal Disaster Management Centres, which are responsible for coordinating disaster management activities within their jurisdictions. These centres operate within a defined framework and are tasked with liaising with municipalities and relevant stakeholders to manage disaster-related issues effectively.

It must be noted that the District Municipality does not have a Disaster Management Centre and the Local Municipalities also do not have Disaster Centres. Local Municipalities are not able to deal with any disasters due to financial difficulties and a lack of personnel.

District Municipality's Responsibility under Section 42

Section 42 of the Act places a specific responsibility on District Municipalities to establish and implement a Disaster Management Framework. This framework must ensure an integrated and uniform approach to disaster management across the District Municipality and its Local Municipalities. The framework should cover all aspects of disaster management, from prevention and mitigation to response and recovery, ensuring that all levels of government and relevant stakeholders work together cohesively.

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Consultation and Alignment with National and Provincial Frameworks:

According to Section 42(2) of the Act, the District Municipality must consult with the Local Municipalities within its area when establishing the Disaster Management Framework. The framework must be aligned with the national and provincial Disaster Management Frameworks to ensure consistency and coordination across all levels of government. This approach ensures that disaster management efforts are cohesive, comprehensive, and tailored to the specific needs of the district while adhering to broader national and provincial strategies. The emphasis on consultation and alignment helps to foster collaboration among various stakeholders, enhancing the overall effectiveness of disaster management efforts.

The provisions made in these Legislations are aimed at ensuring a systematic and coordinated approach to managing disasters, enhancing the resilience of communities, and ensuring effective responses and recovery efforts.

The ZF Mgcawu District Municipality does not have a Disaster Management Framework and the District Disaster Plan was not reviewed for the year under review. The National Disaster Management Centre is in the process of making amendments to the National Disaster Management Framework after which the District Municipality will align and amend its own District Disaster Management Framework accordingly.

Disasters and disaster-related incidents

1) Veld fires in Danielskuil

On the 20th of September 2023 a runaway veld fire occurred ± 10km between Danielskuil and Kuruman, but due to strong winds the fire got out of control and spread rapidly to the neighbouring towns. The fire lasted until the 23rd of September 2023.

Assistance & Support from Stakeholders to mitigate the impact of the disasters

The provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA) provided assistance. The national Department of Forestry, Fisheries and Environment provided aerial support (two choppers and spotters). Support was also received from the following stakeholders:

- Fire team from John Taolo Gaetsewe District Municipality

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- South African National Defence Force
- North West Province Fire Teams
- Department of Agriculture and Rural Development

Damages due to the Veld fires in Danielskuil

The veld fires in Danielskuil have caused significant damage, affecting both residential properties and the agricultural sector. Several houses have been destroyed, leaving families without shelter and personal belongings. The farming community has also suffered greatly, with many farmers losing cattle, which are vital to their livelihoods.

This disaster underscores the importance of coordinated disaster management efforts, including immediate response, relief, and long-term recovery strategies to support those affected.

Addressing such damages will require collaboration between local authorities, emergency services, and community organizations to provide the necessary assistance and resources for rebuilding and recovery.

Activities for 2023/2024

The following activities took place for the year under review:

- An organization called Working on Fire trained farmers in Mier on the prevention of veld fires and how to mitigate fires when they occur
- First Aid training was given to learners at a High School in Kakamas (Kai !Garib Local Municipality)
- The Fire Brigade trained the officials at the Correctional Services on various factors related to firefighting
- Awareness campaigns were conducted on the cold and extreme heat weather conditions following the heat waves in the District that led to deaths and heat exhaustion and the extreme cold temperatures prompted awareness to communities on how to stay safe during the winter season.

Challenges

Here are the key challenges related to Disaster Management in the ZFM District:

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Limited Availability of dedicated officials: Currently, there are no dedicated Disaster Management officials except for Kai !Garib, and some officials are unavailable for emergencies after hours.

Poor Attendance at District Forum Meetings: Departments and Municipalities often fail to attend District Forum meetings, hindering coordination and communication.

Non-compliance with the Act: Municipalities are required by the Disaster Management Act to budget for Disaster Management and appoint officials specifically for this purpose. However, many Municipalities either do not allocate a budget for Disaster Management or have limited funding.

Lack of Reports: There is a lack of reporting from Local Municipalities and sector Departments, which affects the overall management and response to disasters and makes it difficult to assess the current situation and needs.

Insufficient Fire Equipment: Municipalities lack the necessary fire equipment to handle domestic and veld fires, contributing to poor fire services in the District.

Poor Fire Services: Fire services within the District are inadequate, which impacts response capabilities.

There is a clear need for intervention from the Provincial Disaster Management Centre to address these issues and improve the management of disaster-related matters.

These points suggest a critical need for better organization, communication, and resource allocation in Disaster Management within the ZF Mgcawu District Municipality

3.9 MUNICIPAL SUPPORT

Section 83 and 84 of the Local Government: Municipal Structures Act, 117 of 1998, specifically in Chapter 5, outlines the functions and powers of municipalities, with a particular focus on the role of district municipalities. These sections emphasize the district municipality's responsibility to achieve integrated, sustainable, and equitable social and economic development across its jurisdiction. The Structures Act tasks the District Municipality to ensure that development

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planning is integrated across the District. This means coordinating planning efforts to create a cohesive strategy that benefits the entire District rather than isolated parts.

The District Municipality is responsible for building the capacity of Local Municipalities within its area. This is particularly important when Local Municipalities lack the capacity to perform their functions or exercise their powers effectively. The District Municipality must provide support, training, and resources to help Local Municipalities fulfill their roles.

The core values of the ZF Mgcawu District Municipality are primarily shaped by the moral fibre of the administrative and political leadership of our municipality, guidance by the Batho Pele service delivery principles and the strategic compass provided to us by the Northern Cape Provincial Government through its Draft Strategic Plan, which reflects the core values of the Provincial Government.

The following core values give character to the organizational culture of the ZF Mgcawu District Municipality:

1. Commitment to the development of people
2. Integrity in the performance of our duty
3. Respect for our natural resources
4. Transparency in accounting for our actions
5. Regularly consult with customers on the level and quality of services
6. Ensure higher levels of courtesy and professionalism in the workplace
7. Efficient spending and responsible utilization of municipal assets

The Municipal Support Unit is a newly established Unit that has the responsibility to coordinate and facilitate the capacity building and support efforts of the District Municipality to all the Local Municipalities within the District.

The Municipal Support Unit, along with various Departments conducted an interactive consultation session with the Kgatelopele Local Municipality. The session was very productive and Kgatelopele Municipality had the opportunity to consult directly with the departments that were present. The Acting Municipal Manager and the Chief Financial Officer were also part of the delegation that attended this consultation session. It is the hope that in the future all Directors will be able to attend these consultative sessions.

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The session took place from 08 – 12 April 2024 at the Library in Daniekskuil in the Kgatelopele Local Municipality. Herewith follows the support report of the Units that attended the consultation program, the support requested by the Municipality, the support rendered by the District Municipality and the recommendations made to the Municipality.

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UNIT	TYPE OF SUPPORT NEEDED	TYPE OF SUPPORT RECEIVED	RECOMMENDATIONS FROM ZFM UNITS
PERFORMANCE MANAGEMENT	<ul style="list-style-type: none"> ▪ Set KPI and targets for the administrative units and employees ▪ APR review and alignment ▪ Align IDP, Budget & SDBIP : Strategic Objectives aligned with the Budget ▪ Compilation of Performance Management Framework and approval by Council ▪ Quarterly assessment taking place and reports tabled to Council ▪ Performance plans developed for Section 56&57 employees ▪ SDBIP Compilation and sets targets by the SMART principle ▪ Performance Management been roll - out to the Section 66 employees 	<ul style="list-style-type: none"> • All support that was requested was given. • The Municipal Official had a few outstanding issues such as evaluations and implementation of the new regulations, that will receive ongoing attention • Zoom sessions will be scheduled if additional Support is needed 	<ul style="list-style-type: none"> ▪ Outstanding issues such as evaluations and implementation of the new regulations, will receive ongoing attention ▪ The Municipality must acquire the module for individual performance.
ARCHIVES AND REGISTRY	<ul style="list-style-type: none"> ▪ Advice on lack of storage areas, as there was some documentation in boxes on the floor and on counters, due to not having files and filing boxes. ▪ Access to the Registry office and storage space are not controlled as unauthorized persons have easy access to it. ▪ The IMIS records management system does not adequately assist in the scanning process and filing system. 	All support that was requested was given.	<ul style="list-style-type: none"> ▪ That the necessary files and boxes be procured. ▪ The office should be rebuilt to limit access into it. ▪ The option of using Mscoa for the records management function was proposed to the staff, which they will take up with their management. ▪ That a Senior official be appointed/delegated to oversee

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	<ul style="list-style-type: none"> ▪ The Municipality does not have a Director of Corporate Services or Administration manager. ▪ Lack of support from Management, limited funding for needs of Registry. ▪ No regular staff meetings. ▪ Lack of adherence to Records Management Policy and Records Procedure Manual by staff as no records are channeled through the Registry: ▪ original records are not sent to Registry for file referencing and filing on appropriate files. ▪ No Records Control Schedule (videos, maps, publications, etc.) and Retention Schedule. Inadequate safekeeping of audio-recordings of Council meetings. ▪ No Disposal schedule ▪ No regular training for registry staff by the Provincial Archives. 		<p>the Records management function at the Municipality (Records Manager)</p> <ul style="list-style-type: none"> ▪ As the Municipality has an approved Records Management Policy, the Municipal Manager must instruct all staff members to adhere to the provisions thereof. ▪ That pro-forma records controls, Retention schedules be sourced from the National Archives website and Provincial Archives. ▪ That the Provincial Archives be approached for training opportunities and that the staff members register for formal studies.
<p>SUPPLY CHAIN</p>	<ul style="list-style-type: none"> • Establish of SCM Committees • Procurement plan • SCM policy • SCM processes • Tender registers • Evaluation of tenders 	<p>All support that was requested was given. Zoom sessions will also be scheduled if additional Support is needed</p>	<ul style="list-style-type: none"> ▪ The CFO had discussions with all finance officials. ▪ Additional needs identified were as follow: ▪ SARS Training (VAT and PAYE) to be provided by SARS officials at the District Municipality for Local Municipalities.

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<p>ASSET MANAGEMENT</p>	<ul style="list-style-type: none"> ▪ Fixed asset register ▪ Movable Assets verified for existence – Extrapolated misstatement ▪ Insurance of assets ▪ Proper way of write off of assets ▪ PPE: Are asset not in working condition written off ▪ Damaged asset impaired ▪ Complete listing of land ▪ Can ownership of assets confirmed ▪ monthly reconciliations between the general ledger and asset register. ▪ Reassessment of useful lives (Movables Assets) 	<p>All support that was requested was given. Zoom sessions will also be scheduled if additional Support is needed</p>	<ul style="list-style-type: none"> ▪ Asset Management Official requested training on the calculation of Remaining Useful Lives of Assets. ▪ CFO advised finance officials to communicate their training needs and formal communication to be send to ZFMMDM to benchmark
<p>HOUSING & SPLUMA (TOWN PLANNING)</p>	<p>SPLUMA (Land Use Management)</p> <ul style="list-style-type: none"> ▪ Land development application management. ▪ Land use management. ▪ Establishment of the Joint Municipal Planning Tribunal. ▪ Quarterly Joint Municipal Tribunal Sittings arranged and chaired by ZFM. ▪ Implementation of Capital Contributions for the municipality. ▪ Calculation of capital contributions. ▪ Develop restrictions inputs as per LUMS for building plans. ▪ SPLUMA Appeal Authority readiness. ▪ Township establishment and land transfer. ▪ Review of the Land Use Management System (LUMS). 	<p>All support that was requested was given. This however, is consultation that is on-going and will be closely monitored.</p> <p>The Municipality requested the assistance with housing issues (Beneficiary Management) including the Title Deeds related issues.</p> <p>The Housing Unit provided support in Housing Consumer Education. Beneficiaries were captured into the system while others had to confirm their registration details. No houses</p>	<ul style="list-style-type: none"> ▪ ZFM provides daily support on all SPLUMA related matters, and any additional support is made available on request. Funding for the SPLUMA (Town Planning) Unit remains a challenge. ▪ Housing responsibilities are met as per the Implementation protocol. Service Level Agreements are to be reviewed. ▪ The District will facilitate the process of Title Deeds Restoration with the assistance of the appointed Conveyancers for the area.

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	<ul style="list-style-type: none"> ▪ Review of the Spatial Development Framework. <p>Housing (Human Settlement)</p> <ul style="list-style-type: none"> ▪ Housing Consumer Education ▪ National Housing Needs Register and capturing of beneficiaries. ▪ Quality assurance on houses built. ▪ Title Deed program assistance. ▪ Management of township establishment projects by COGHSTA 	<p>are being built currently hence there was no quality assurance/inspections done on houses.</p>	<ul style="list-style-type: none"> ▪ Municipality must prioritise the establishment of a Housing Unit with dedicated Housing officials responsible for the housing issues. Currently the pay office is dealing with housing matters without a specific designated housing official.
<p>ENVIRONMENTAL HEALTH</p>	<ul style="list-style-type: none"> ▪ Information sharing on Water Quality ▪ Waste management and Landfill sites ▪ Safe disposal of condemned products ▪ Procedures on the disposal of the dead/ Reburials at cemeteries. ▪ Illegal dumping ▪ Training on Basic Food principles in cooperation with the LED department 	<ul style="list-style-type: none"> ▪ Waste Management - established open and continuous communication with regards to waste management ▪ Close working relationship with regards to Condemnations/ disposal of damaged goods that needed to be conducted within the area of Danielskuil. Environmental Health also engaged on illegal dumping that was taking place next to the main road at the Waste water treatment plant. ▪ LED Office- LED officer organized SMME's awareness training on Basic Food Principles (training was conducted by both 	<ul style="list-style-type: none"> ▪ The Municipality to comply with South African National Standard for Drinking water (SANS 241) ▪ The Municipality to comply with National Environmental Management Act 107 of 1998 and Municipal By-laws to be in place and enforced accordingly with regards to illegal dumping. ▪ The LED office to have Informal Trading Policy and By-Laws in place and enforce them. Tuckshops as a major concern in the Municipality, they need to be regulated by the Local municipality.

		<p>Department of Health EHP's and ZFMDM EHP).</p> <ul style="list-style-type: none">▪ Due to the challenges around the issue of Tuck-shops, Environmental Health Services engaged with the LED Officer at a joint operation briefing that took place in November 2023 to start with the process of regulating the tuck-shops in Kgatelopele.▪ Kgatelopele Local Municipality- on the 20th of November 2023, together with Station Commander from Danielskuil SAPS, Environmental Health organized a joint operation that was mainly focused on Wholesalers, Supermarkets and tuck-shops.▪ On 12 April 2024 & 15 May 2024 another Tuckshop joint operation was conducted by ZFM EHP, DOH EHP, Danielskuil Police Service and the Kgatelopele Municipality LED office.▪ Concerns around the management on Disposal of human remains were addressed (R363 of 2013)	<ul style="list-style-type: none">▪ Continuous joint operation to be conducted.▪ Regulations in place was shared with the official and all Exhumation and Reburial application forms were shared with the Kgatelopele Official
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		<ul style="list-style-type: none"> Exhumations and Reburials processes were discussed and all documentations shared with the office 	
HUMAN RESOURCE MANAGEMENT	<p>Leave Provision: Completeness</p> <p>Leave balances</p> <p>Background checks</p> <p>Verification of new employees</p> <p>Leave recovery Plan</p> <p>Leave Policies and new regulation</p>	All requested support was given.	Human Resource Management
HUMAN RESOURCE DEVELOPMENT	<ul style="list-style-type: none"> Discretionary grant Employment Equity WSP District Skills Forum meeting Training intervention M & E 	All support that was requested was given. Zoom sessions will be scheduled if additional Support is needed	Human Resource Development
INFORMATION TECHNOLOGY	<p>ICT Governance - Assist with the development of ICT Policies, framework and procedures.</p> <p>Audit Recovery Plan- Assist with drafting of IT Audit recovery plan and monitoring</p>	An IT Advisory meeting (zoom) was held on the 10 th of May 2024. IT Audit Recovery Plans were discussed for all Municipalities. Additional support will be given as needed	ICT officials to submit draft IT Audit Recovery Plans.
OCCUPATIONAL HEALTH AND SAFETY	<ul style="list-style-type: none"> No OHS budget Lack of awareness and training. First aid box. Lack of first aid training. 		<ul style="list-style-type: none"> That the appointed official be trained

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	<ul style="list-style-type: none">▪ No disposable paper towels, hot air blowers or clean towels.▪ Liquid soap or cleansing agent not available at washbasins.▪ Fire extinguishers not serviced timeously.▪ Health and safety committee and representatives.▪ Fire drill and emergency exit procedures.▪ Sewer drain overflows into offices.▪ Cleaning of offices and collection of dustbins.▪ Cashiers door not password/fingerprint protected.▪ Electrical wiring must be fixed.▪ Stacking of files.		<ul style="list-style-type: none">▪ That council appoint a second official to assist the senior official▪ Hazard Identification and Risk Assessment be done.
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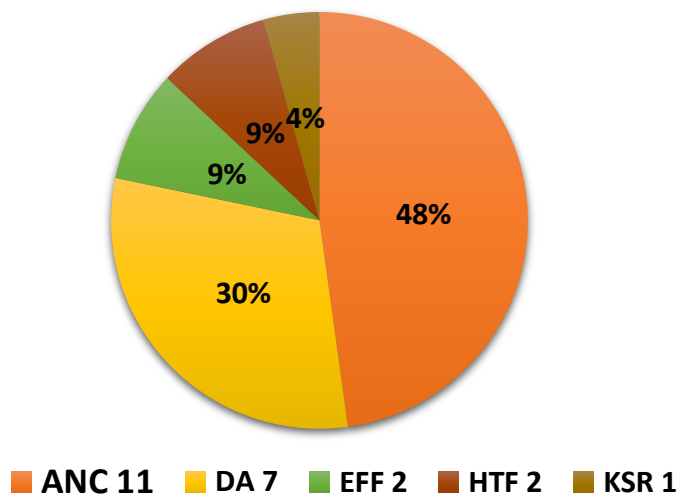
3.10 ASSET MANAGEMENT

This matter is dealt with in greater detail in Chapter 5 of this document.

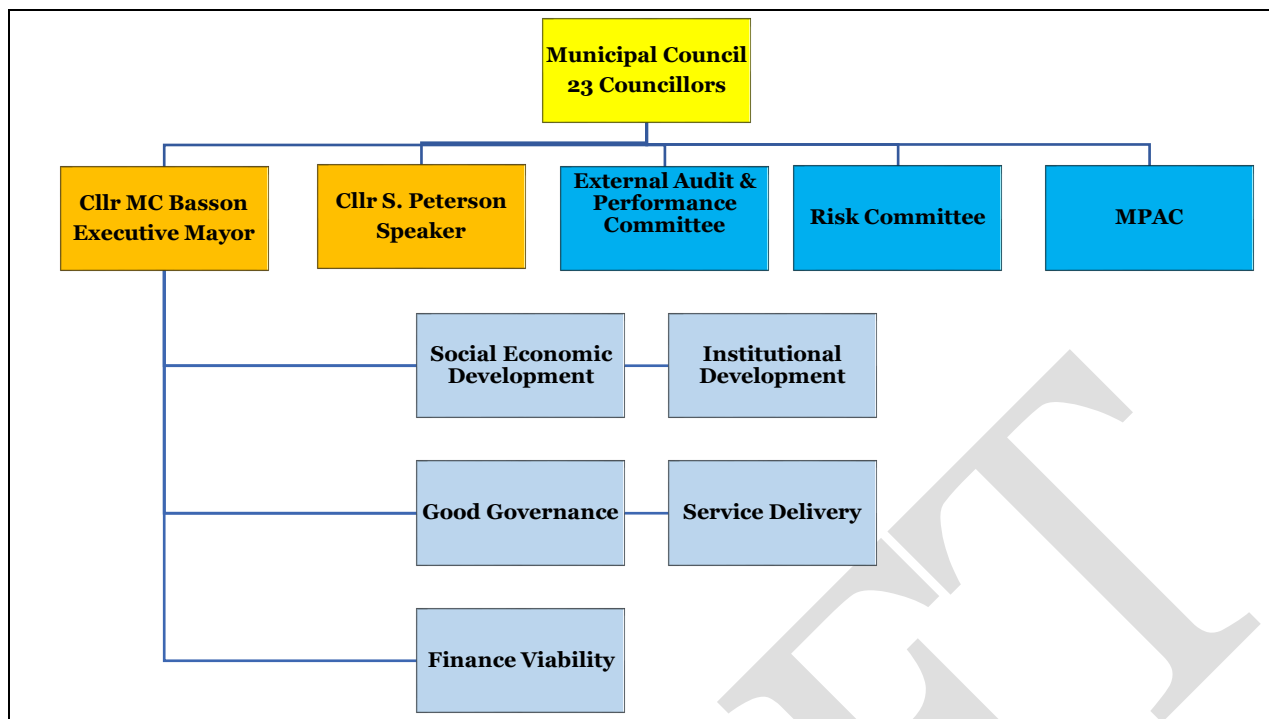
3.11 EXECUTIVE AND COUNCIL

The Council of the ZF Mgcawu District Municipality, consisting of 23 Councillors, has a dual role, encompassing both legislative and executive functions. While it focuses on legislative, oversight, and participatory roles, the executive responsibilities have been delegated to the Executive Mayor and the Mayoral Committee. The Council remains highly engaged in overseeing the operations of the District Municipality, ensuring that its functions are carried out effectively and in line with its legislative mandates.

ZFM Council Composition



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Compliance with Legislation

KPI	Unit of Measurement	Target	Actual
Annual Report and Oversight Report 2022/2023 submitted to Council in March 2024	Reports submitted	31 March 2024	25 March 2024
The effective functioning of the Council is measured in terms of the number of Council meetings	No of Council meetings per annum	4	9
The effective functioning of the Mayoral Committee	No of Mayoral Committee meetings	11	11
Adjustment budget approved by Council	Adjustment budget approved by Council	28 February 2023	24 February 2023
Draft Budget 2023/2024 approved by Council	Draft Budget approved by Council	31 March 2023	27 March 2023
Main Budget 2023/2024 approved by Council	Final Annual Budget approved	31 May 2023	31 May 2023

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Effectiveness of the Audit Committee	No of Audit Committee meetings	4	6
Effectiveness of Portfolio Committees	No of meetings held	4	4
Effectiveness of MPAC	No of meetings held	4	5

Dates of Council and Other Meetings

Council Meetings	Special Council Meetings	Portfolio Committee Meetings	MPAC Meetings
1 July 2023	31 July 2023	29 August 2023	29 August 2023
30 August 2023	30 April 2024	23 November 2023	24 November 2023
30 October 2023		19 March 2024	25 January 2024
24 November 2023		24 May 2024	19 March 2024
26 January 2024			24 May 2024
28 February 2024			
25 March 2024			
31 May 2024			
27 June 2024			

MAYORAL COMMITTEE MEETINGS

Mayoral Committee Meetings 2023/2024	
Month	Date
July 2023	28 July 2023
August 2023	29 August 2023
September 2023	28 September 2023
October 2023	26 October 2023
November 2023	23 November 2023
December 2023	N/A
January 2024	25 January 2024
February 2024	27 February 2024
March 2024	20 March 2024
April 2024	24 April 2024
May 2024	24 May 2024
June 2024	26 June 2024

CHAPTER 4

HUMAN RESOURCE SERVICES

COMPONENT A: HUMAN RESOURCE MANAGEMENT

The Human Resource division is a vital component of the Corporate Services Department at the ZF Mgcawu District Municipality. It is divided into two core units:

- Human Resource Management Unit
- Human Resource Development and Training Unit

This section will focus on the functions of the Human Resource Management Unit. Human Resource Management is responsible for overseeing the comprehensive Human Resource Management Policies and processes, ensuring compliance with legislation and best practices, and efficiently managing Human Resource Systems and procedures within the Municipality.

The operational responsibilities of the Human Resource Management Unit include, but are not limited to:

Administration: Managing personnel records, compiling statistics, and processing personnel information.

Remuneration: Conducting job analysis, job evaluation, structuring salaries and wages, implementing fringe benefit schemes, and developing incentive systems.

Leave: Monitoring and processing leave taken on a daily basis, and reconciling all types of leave on a monthly basis.

Human Resource Provisioning and Recruitment: Planning for human resource needs, recruiting, selecting, placing, transferring, promoting, and dismissing employees. This involves developing job descriptions, advertising vacant positions, sourcing candidates, and onboarding new employees.

The Human Resource Management Unit plays a crucial role in the functioning of the institution. It ensures effective recruitment and retention of employees, making it the heart and soul of the District Municipality as it cares for its most valuable resource - human capital.

COMPONENT B: HUMAN RESOURCE DEVELOPMENT AND TRAINING

The Human Resource Development and Training Unit of the ZF Mgcawu District Municipality is dedicated to enhancing the human capital potential of the municipality. This unit is essential for ensuring that the municipality can perform its functions and exercise its powers economically, effectively, efficiently, and accountably, in compliance with the Skills Development Act, 81 of 1998. The Municipal Systems Act further mandates that municipalities allocate budget provisions for the development and implementation of training programs.

Key Responsibilities of the Human Resource Development and Training Unit:

Training and Development: The Human Resource Development and Training Unit is responsible for implementing training programs that align with the District Municipality's goals and legislative requirements and to ensure continuous skills development for employees and Councillors to enhance service delivery.

Capacity Building: The Unit must focus on building the capacity of staff to perform their roles effectively and develop programs aimed at enhancing the knowledge and skills of employees, ensuring they are well-equipped to meet the demands of their positions.

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The Unit strives to empower employees through personal and professional development initiatives and creates opportunities for staff to grow and advance within the organization, fostering a motivated and capable workforce.

Vision of the Unit:

The Human Resource Development and Training strives to create a world-class competent staff capable of delivering high-quality services and to empower the staff members through targeted skills development, capacity building, and personal empowerment initiatives.

The Human Resource Development and Training Unit is integral to the District Municipality's commitment to improving service delivery and maintaining a highly competent workforce. By focusing on continuous development and empowerment, this Unit ensures that the ZF Mgcawu District Municipality can meet its objectives and serve its community effectively

Human Resource Development Documents for 2023/2024

Item	Date of submission
Date of 2023/2024 Work Place Skills Plan tabled and approved by Council	20 March 2024 to Training Committee 20 March 2024 to Mayoral Committee 31 May 2024 approved by Council
Submission Date of 2023/2024 Workplace Skills Plan (WSP) to LGSETA	30 April 2024
Date Annual Training Report 2023/2024 was tabled and approved by Council	27 June 2024

The Human Resource Development and Training Unit of the ZF Mgcawu District Municipality is dedicated to enhancing the skills, knowledge, and abilities of its employees. By providing coaching and creating training platforms, the unit ensures that employees are well-equipped to carry out their responsibilities efficiently and effectively. This focus on development aligns with Section 152 of the Constitution, which mandates Local Government to deliver services to communities in a sustainable manner, achievable only through a well-prepared and competent workforce.

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees 2023/2024					
Description	Year 2023/2024	Year 2023/2024			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Office of the Executive Mayor	2	2	2	0	0
Office of the Speaker	3	3	3	0	0
The Municipal Manager	0	1	0	1	10
Office of the Municipal Manager	1	1	1	0	0
Strategic Management	6	6	6	0	0
Performance Management (PMS)	1	2	2	0	0
Internal Audit	5	5	4	1	10
Risk Management	2	2	2	0	0
The CFO	1	1	1	0	0
Office of the CFO	1	1	1	0	0
AFS, Assets & Reporting	5	6	5	1	10
Budget and Reporting	3	3	2	1	10
Expenditure; SCM & Payroll Management	7	8	7	1	10
Director: Municipal Support	1	1	1	0	0
Municipal Support	7	8	7	1	10
Corporate Service Director	1	1	1	0	0
Administration	6	6	5	1	10
Communication	3	3	3	0	0
Asst Director: LR; OHS; Security & Cleaning Services	14	15	14	1	10
ITC	3	3	3	0	0
Human Resource Development & Training	2	2	2	0	0
Human Resource Management Unit	3	3	3	0	0
Director: Planning & Development	1	1	1	0	0
Office of Planning & Development Director	0	1	0	1	10
Town Planning; Housing & DDM	4	4	4	0	0
LED; Tourism & PMU	8	8	8	0	0

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Environmental Health	8	9	9	0	0
Disaster Unit	8	8	8	0	0
Totals	104	112	104	8	

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June 2020

T4.1.1

Vacancy Rate: Year 2023/2024

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	108.3	0.433
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	2	0	0
Other S57 Managers (Finance posts)	0	0	0
Senior management: Levels 1-3 (excluding Finance Posts)	13	250	1
Senior management: Levels 1-3 (Finance posts)	2	0	0
Highly skilled supervision: levels 4-5 (excluding Finance posts)	17	0	0
Highly skilled supervision: levels 4-5 (Finance posts)	2	0	0
Total			

Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T4.1.2

Turn-over Rate

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2023/2024	3	5	1.67
2022/2023	5	2	0.4

* Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year

T4.1.3

4.2 POLICIES

Name of Policy	Date Adopted or Reviewed by Council
<p>HR Policy Manual from Department of Cooperative Government, Version 01 of 2022</p> <ul style="list-style-type: none"> ▪ Part B: Employment Practices ▪ Chapter 4: Recruitment, Selection and Appointment Policy ▪ Chapter 5: Promotion, Transfer, Secondment and Acting Appointment Policy (Read with Circular 4/2023 of SALGBC RE. Conflict between Collective Agreement and Regulations) ▪ Chapter 6: Placement Policy ▪ Chapter 7: Termination of Service ▪ Chapter 9: Working Hours and Punctuality Policy ▪ Chapter 15: Incapacity due to ill Health/Injury Policy ▪ Chapter 16: Incapacity due to Operational Requirements Policy ▪ Part F: Staff Member Retention ▪ Chapter 17: Remuneration Policy ▪ Chapter 19: Overtime Allowance Policy ▪ Chapter 21: Leave Policy 	<p>31 May 2023</p>

4.3 INJURIES AND SICKNESS

Number and Cost of Injuries on Duty				
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee
	Days	No.	%	Days
Required basic medical attention only	37	1	0.4	0.5
Temporary total disablement	0			
Permanent disablement	0			
Fatal				
Total	37	1	0.4	0.5

Number of days and Cost of Sick Leave (excluding injuries on duty)				
Salary band	Total sick leave	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	No.	No.	Days
Lower skilled (Levels 13-16)	0	0	0	0
Skilled (Levels 10-12)	158	35	22	7.18
Highly skilled production (levels 7-9)	136	5	58	2.34
Highly skilled supervision (levels 4-6)	121	13	19	6.36
Senior management (Levels 0-3)	152	8	15	10.13
MM and S57	77	4	4	19.25
Total	644	65	118	45.26

4.4 EMPLOYEE SALARY INCREASES

Number of Employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 12-10)	Female	
	Male	
Skilled (Levels 9-7)	Female	
	Male	
Highly skilled production (Levels 6-5)	Female	
	Male	
Highly skilled supervision (Levels 4)	Female	
	Male	
Senior Management (Levels 3-1)	Female	
	Male	
Municipal Manager and Section 57	Female	
	Male	
Total		0

4.5 LR, OHS, CLEANING AND SECURITY SERVICES

The importance of Labour Relations, Security Services, Cleaning Services, and Occupational Health and Safety in a municipality like the ZF Mgcawu District Municipality cannot be overstated. Each of these functions plays a crucial role in maintaining a well-managed, safe, and productive work environment, which in turn supports the District Municipality's ability to deliver essential services to the community.

Labour Relations

The ZF Mgcawu District Municipality understands that effective labour relations are essential for maintaining harmony between management and employees. Good relations help prevent disputes, strikes, and other disruptions that could hinder the District Municipality's operations.

Labour relations ensures that the District Municipality complies with labour laws, regulations, and collective agreements, thus avoiding legal disputes and penalties and by addressing grievances and ensuring fair treatment, labour relations contributes to higher employee morale and job

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satisfaction, leading to better service delivery.

Security Services

The Security services are responsible for safeguarding the municipal properties, assets, preventing theft, vandalism and other crimes that could disrupt operations. Security services protect municipal employees and visitors from potential threats, creating a safe environment in which to work and conduct business. The District Municipality's security services helps to reduce the Municipality's liability by mitigating risks and threats. The security services are crucial in emergency • situations, helping to manage and contain incidents that could otherwise escalate.

Cleaning Services

The cleaning services at the ZF Mgcawu District Municipality play a pivotal role in preventing the spread of infectious diseases within municipal facilities. A clean workplace contributes to the health and well-being of employees, reducing sick days and enhancing productivity. The District Municipality ensures that it meets public health standards and avoids fines or shutdowns due to unsanitary conditions, also being fully aware that clean and well-maintained facilities reflect positively on the institution and fosters confidence among visitors.

Occupational Health and Safety (OHS)

Occupational Health and Safety programs ensures that employees work in a safe environment, reducing the risk of accidents, injuries, and occupational illnesses. It is important to note that adherence to occupational health and safety regulations is mandatory, and non-compliance can lead to severe penalties, legal action, and reputational damage.

Occupational Health and Safety is responsible for developing a safe work environment, promoting good health in the workplace, reducing severities and injuries, identifying and mitigating hazards to prevent accidents, improving efficiency and productivity by minimizing employee absences due to illness or injury, enhancing employee relations and morale, and ultimately reducing costs for the municipality.

The ZF Mgcawu District Municipality recognizes that by ensuring a safe, clean, and well-regulated working environment, the municipality can maximize its efficiency, comply with legal requirements, and maintain the trust and confidence of its employees and the public. This holistic approach ultimately leads to better service delivery and the sustainable development of the District Municipality.

Draft Annual Report 2023/2024**Labour Relations Report 2023/2024**

NO	NAME	APPLICANT	NATURE	OUTCOME
1	W. Saulse	SAMWU	Deserting & AWOL	Final Written Warning
2	P. Simanga	SAMWU	AWOL	Final Written Warning
3	G. Booyesen	IMATU	AWOL	Final Written Warning
4	E. Ndala	SAMWU	AWOL	Final Written Warning

Disciplinary actions taken on cases of Financial Misconduct

Position	Nature of alleged misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date finalized
None	None	None	None

4.6 SKILLS DEVELOPMENT AND TRAINING

New Reporting Template- Gazette 41996 of 26 October 2018

This report is based on the new reporting template annexure - C - Gazette 41996 (Gazette 41996 of 26 October 2018) is an amendment to Gazette 29967 of 15 June 2007. The Gazette only warrants that the District Municipality report on the following positions:

1. CEO (entity)
2. CFO (municipality)
3. CFO (entity)
4. Senior Managers (MSA Section 56)
5. Middle Manager (of finance only)

The Municipal Finance Management Act, 56 of 2003 stipulates that a Municipality that appoints a Municipal Manager must subject themselves to the provisions of the Act; in that no Acting or appointed Municipal Manager can be appointed without at least a Bachelor's Degree or a relevant qualification registered on the National Qualification Framework at NQF level 7 with a minimum of 360 credit plus Leading Competencies prescribed in the Annexure -A- Local Government: Competency Framework for Senior Managers as published under Government notice No. 21 in Government Gazette No. 37245 of 17 January 2014. Below is Annexure C Minimum Competency Regulation template as at 30 June 2024

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DECLARATION: The Municipal Manager/ Chief Executive Officer certifies that this information is true and correct as it reflects the latest records on Competency Levels for officials in the municipality and/or municipal entity, respectively.

Surname	Name	ID Number	Position (select from scroll button)	Date of Employment (before or on/after Gazette 41996)	Higher Education Qualification (New NQF Levels)	All Relevant Work Related Experience (select from scroll button)	Performance Agreements and FM & SCM levels (select from scroll button)	Financial and Supply Chain Management Competency Areas (Do not complete as this column is automated with column F)	Insert the number of relevant Unit Standards Completed	Remaining Unit Standards
Tieties	Alfred Kevin (Acting Municipal Manager)	8402155185085	Accounting Officer	on/after 26 Oct 2018	NQF Level 7 - Bachelor Degree (min 360 credits)	7 years and more	Performance Agreements signed, FM & SCM levels completed	18 Unit Standards needed	24	-6
De Waal	Isak	7908155102087	Senior Manager (MSA S56)	on/after 26 Oct 2018	NQF Level 7 - Bachelor Degree (min 360 credits)	7 years and more	Performance Agreements signed, FM & SCM levels completed	15 Unit Standards needed	15	0
Isaacs	Eloise	8403070127087	CFO Municipality	on/after 26 Oct 2018	NQF Level 7 - Bachelor Degree (min 360 credits)	7 years and more	Performance Agreements signed, FM & SCM levels completed	20 Unit Standards needed	20	0
Van Zyl	Jacobus	6104275004087	Senior Manager (MSA S56)	before 3 Feb 2017	NQF Level 7 - Bachelor Degree (min 360 credits)	7 years and more	Performance Agreements signed, FM & SCM levels completed	15 Unit Standards needed	16	-1
Kitching	Albert	8411245070082	Middle Manager:	between 3 Feb 2017 and 2 Aug	NQF Level 7 - Bachelor Degree (min	7 years and more	Performance Agreement not required, FM &	15 Unit Standards needed	15	0

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			Finance	2018	360 credits)		SCM levels completed			
Phete	Annzonia	8602210215088	SCM Head	before 3 Feb 2017	NQF Level 6 - National Diploma (min 240 credits)	7 years and more	Performance Agreement not required, FM & SCM levels completed	16 Unit Standards needed	17	-1
Visagie	Julandy	8001070163048	Middle Manager: Finance	before 3 Feb 2017	NQF Level 7 - Bachelor Degree (min 360 credits)	7 years and more	Performance Agreement not required, FM & SCM levels completed	15 Unit Standards needed	15	0
Wolf	Marshall	8908085364087	Middle Manager: Finance	On/after 26 October 2018	NQF Level 7 - Bachelor Degree (min 360 credits)	7 years and more	Performance Agreement not required, FM & SCM levels completed	15 Unit Standards needed	16	-1

4.6.1 COMMENT ON SKILLS DEVELOPMENT

The ZF Mgcawu District Municipality's Training and Skills Development Committee plays a crucial role in ensuring that the municipality meets the requirements set by the Local Government Sector Education and Training Authority (LGSETA). By having a dedicated Skills Development Facilitator and representatives from each department, the committee ensures that the Work Skills Plan is effectively implemented and aligned with the municipality's goals.

The existence of this Committee is particularly important for several reasons:

Compliance with LGSETA Requirements

The LGSETA mandates that municipalities with a workforce of more than 50 people must establish a Training Committee. This ensures that the District Municipality complies with sectoral training and development regulations, which are essential for accessing grants and funding from LGSETA.

The Training Committee ensures that the Work Skills Plan, which is a critical tool for reporting and planning training activities, is accurately completed and submitted annually. This plan helps the Municipality identify and address skills gaps, enhancing overall service delivery.

Enhanced Workforce Development

The Training Committee plays a key role in identifying the training needs of the District Municipality's workforce, ensuring that employees receive relevant and targeted training that enhances their skills and competencies. By implementing the Work Skills Plan, the Committee contributes to the professional development of municipal employees, equipping them with the necessary skills to perform their duties effectively.

The Committee's structure, which includes representatives from each department, ensures that all areas of the District Municipality are considered when planning and implementing training initiatives. This promotes a holistic approach to workforce development.

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The Training and Skills Development Committee of the ZF Mgcawu District Municipality is a vital component in fostering a skilled, compliant, and effective workforce. Through its work, the District Municipality can better serve its community, achieve its objectives, and maintain compliance with LGSETA requirements.

Item	Status
Training/Skills Development Committee	Yes
Levy paid to LGSETA (Yes/No)	Yes
List of training programmes implemented during 2023/2024	<ol style="list-style-type: none"> 1. NC: Public Administration NQF Level 5 2. Public Administration 3. Essential Elements of the Internal Auditing process (EEIP) 4. Presentation by Northern Cape Provincial Treasury on Combined Assurance Model 5. Public Relations 6. Public Administration Honours 7. Project Management 8. Business Administration 9. Financial Modeling and analysis online short course 10. Advance diploma in Public Administration 11. Payroll Administrator 12. Professional Accounting 13. Advanced Diploma Public Accountability 14. Bachelor in Public Admin Honours 15. Occupational Certificate: Supply Chain Practitioner 16. Bachelor of Commerce in Human Resource Management 17. Bachelor of Public Administration 18. Business Management 19. National Diploma in Public Administration

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Number of employees trained	31
Number of unemployed trained with LGSETA funds	3
Number of Councilors trained	3
Total cost of the training	R551011.26
Total Interns appointed	2
Total Work Integrated Learners	11
Costs related to training and source of funding	LGSETA =R467 325 LGSETA WIL-HR =R60712.50 LGSETA WIL-FIN =R136262.5
Number of skills programs implemented and details-even those from other stakeholders other than the LGSETA	LGSETA =1 1. Northern Cape Provincial Treasury 2. Institute of Internal Auditors
LG Seta discretionary grant - provide details of how it was used in the municipality	Skills program It was used to provide training for the employed and unemployed

The ZF Mgcau District Municipality is committed to fulfilling its legislative mandate to develop and enhance the skills of its workforce, as outlined in the Skills Development Act No 97 of 1998. The District Municipality focuses on equipping its employees with the necessary skills to perform their duties effectively, thereby improving the overall efficiency and effectiveness of the organization. By investing in education and training, the District Municipality seeks to maximize the return on this investment, ensuring that the workforce remains capable and productive. The ZF Mgcau District Municipality ensures that its workforce is well-prepared, capable, and diverse, ultimately enhancing service delivery to the community by adhering to the principles of the Skills Development Act.

CHAPTER 5

FINANCIAL INFORMATION

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENT OF FINANCIAL PERFORMANCE

ZF MGCAWU DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual	
		2024	2023
		R	Restated R
REVENUE			
Revenue from Non-exchange Transactions			
Transfers and Subsidies	18	87,901,654	86,401,864
Impairment Gains	25	200,532	3,453,148
Revenue from Exchange Transactions			
Rental from Fixed Assets	19	9,780	9,314
Finance Income	20	1,746,081	1,234,722
Operational Revenue	21	1,970,956	1,104,594
Gains on Disposal of Capital Assets	31	-	-
Total Revenue		91,829,004	92,203,643
EXPENDITURE			
Employee Related Costs	22	62,595,030	59,711,427
Remuneration of Councillors	23	5,261,639	5,270,695
Depreciation and Amortisation	24	1,544,322	1,263,327
Impairment Losses	25	765,298	298,774
Finance Costs	26	3,958,480	4,247,067
Contracted Services	27	6,366,498	4,724,056
Inventory Consumed	28	516,838	399,716
Transfers and Subsidies Paid	29	491,452	910,863
Operational Costs	30	13,402,134	12,283,339
Loss on Disposal of Capital Assets	31	30,543	116,783
Total Expenditure		94,932,234	89,226,046
SURPLUS / (DEFICIT) FOR THE YEAR		(3,103,230)	2,977,597

5.2 STATEMENT OF FINANCIAL POSITION

ZF MGCWU DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Note	Actual 2024 R	Actual 2023 Restated R
ASSETS			
Current Assets			
		1,312,204	2,524,821
Receivables from Exchange Transactions	2	271,488	224,591
Statutory Receivables from Exchange Transactions	3	7,963	3,605
Receivables from Non-exchange Transactions	4	-	126,207
VAT Receivable	5	565,341	448,235
Cash and Cash Equivalents	6	451,829	1,705,742
Current Portion of Long-term Receivables	7	15,583	16,441
Non-Current Assets			
		22,954,029	22,875,273
Property, Plant and Equipment	8	21,083,112.58	21,602,242
Intangible Assets	9	70,383.10	108,712
Non-current Investments	10	1,719,010	1,070,386
Long-term Receivables	11	81,524	93,933
Total Assets		24,266,233	25,400,094
LIABILITIES			
Current Liabilities			
		10,100,328	10,626,065
Provisions	12	3,422,070	3,121,597
Payables from Exchange Transactions	13	6,398,202	6,853,362
Unspent Conditional Grants and Receipts	14	-	-
Current Portion of Long-term Liabilities	15	280,056	651,106
Non-Current Liabilities			
		33,732,000	31,236,895
Long-term Liabilities	15	-	276,895
Employee Benefit Liabilities	16	33,732,000	30,960,000
Total Liabilities		43,832,328	41,862,959
Total Assets and Liabilities		(19,566,095)	(16,462,865)

5.3 CASH FLOW STATEMENT

ZF MGCWU DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual 2024 R	Actual 2023 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Transfers and Subsidies		87,901,654	86,401,864
Rental from Fixed Assets	19	9,780	9,314
Finance Income	20	1,746,081	1,234,722
Other Receipts		1,929,661	1,076,055
Payments			
Employee Related Costs		(64,033,795)	(61,179,052)
Remuneration of Councillors	23	(5,261,639)	(5,270,695)
Finance Costs Paid	26	(155,480)	(450,068)
Suppliers Paid		(7,338,497)	(6,561,320)
Other Payments		(13,750,113)	(13,215,981)
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,047,653	2,044,840
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	8	(1,287,176)	(1,369,534)
Purchase of Intangible Assets	9	(53,230)	(49,162)
Proceeds on Disposal of Property, Plant and Equipment		323,000	0
Decrease / (Increase) in Non-current Investments		(648,624)	(558,338)
Decrease / (Increase) in Long-term Receivables		12,409	14,652
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,653,621)	(1,962,380)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(647,945)	(503,124)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(647,945)	(503,124)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,253,913)	(420,664)
Cash and Cash Equivalents at Beginning of Period		1,705,742	2,126,406
Cash and Cash Equivalents at End of Period	6	451,829	1,705,742

5.4 GRANTS

	2024 R	2023 R
TRANSFERS AND SUBSIDIES RECEIVED		
Capital Grants and subsidies		
Allocations Gazetted	-	-
Operational Grants and subsidies		
Allocations Not Gazetted	87,901,654	86,401,864
Allocations Gazetted	1,183,654	2,193,864
	86,718,000	84,208,000
Total Government Grants and Subsidies	87,901,654	86,401,864
18.1 Operational Grants		
National Revenue Fund:		
Equitable Share Grant	81,190,000	78,618,000
	81,190,000	78,618,000
National Governments:		
Allocations Gazetted:		
Expanded Public Works Programme Integrated Grant	5,278,000	5,340,000
Local Government Financial Management Grant	999,000	1,073,000
Road Asset Management Systems Grant	1,200,000	1,200,000
	3,079,000	3,067,000
Allocations Not Gazetted:		
National Treasury Subsidy for External Audit Fees	933,654	1,693,864
	933,654	1,693,864
Provincial Government:		
Allocations Gazetted:		
Housing Grant	250,000	250,000
	250,000	250,000
Allocations Not Gazetted:		
HIV and AIDS Grant (Provincial Health Department)	250,000	500,000
	250,000	500,000
	87,901,654	86,401,864
18.2 Capital Grants and subsidies		
Provincial Government:		
Allocations Gazetted:		
Other	-	-
	-	-
Total Operational Grants Received	87,901,654	86,401,864

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	2024 R	2023 R
18.3 Reconciliation per Grant Source		
18.3.1 National Governments: Financial Management Grant		
Allocations Gazetted:		
Balance unspent at beginning of year	-	-
Current year receipts	1,200,000	1,200,000
Conditions met for 2017/18 - transferred to	-	-
Conditions met - transferred to Revenue: Operating Expenses	(1,200,000)	(1,200,000)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Conditions still to be met - transferred to Liabilities (see Note 14)	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The Grant is also used to promote and support reforms in financial management by building capacity in municipalities to implement the MFMA as part of strengthening financial and asset management in the District Municipality.

18.3.2 National Governments: Rural Road Asset Management Systems Grant

Allocations Gazetted:		
Balance unspent at beginning of year	-	2,930,000
Current year receipts	3,079,000	3,067,000
Conditions not met: Operating Expenses (Withheld by National Treasury)	-	(2,930,000)
Conditions met - transferred to Revenue: Operating Expenses	(2,701,632)	(1,877,070)
Conditions met - transferred to Revenue: Capital Expenses	(377,368)	(1,189,930)
Conditions still to be met - transferred to Liabilities (see Note 14)	-	-

To assist rural district municipalities to set up Rural Road Asset Management Systems (RRAMS), and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

18.3.3 National Governments: EPWP Incentive Grant

Allocations Gazetted:		
Balance unspent at beginning of year	-	-
Current year receipts	999,000	1,073,000
Conditions met - transferred to Revenue: Operating Expenses	(999,000)	(1,073,000)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Conditions still to be met - transferred to Liabilities (see Note 14)	-	-

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in identified focus areas, in compliance with the Expanded Public Works Programme guidelines.

18.3.4 Provincial Government: Housing Accreditation DPLG National Grant

Allocations Gazetted:		
Balance unspent at beginning of year	-	-
Current year receipts	250,000	250,000
Conditions met - transferred to Revenue: Operating Expenses	(250,000)	(250,000)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Conditions still to be met - transferred to Liabilities (see Note 14)	-	-

The purpose of this grant is to build capacity in municipalities to deliver and subsidise the operational costs of administering human settlements programmes and to ensure effective management of human settlements programmes at the local government level, in line with the accreditation framework.

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	2024 R	2023 R
18.3.5 Provincial Government: HIV/AIDS Grant (Provincial Health Department)		
Allocations Not Gazetted:		
Balance unspent at beginning of year	-	-
Current year receipts	250,000	500,000
Conditions met - transferred to Revenue: Operating Expenses	(250,000)	(500,000)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Conditions still to be met - transferred to Liabilities (see Note 14)	-	-
<p>The purpose of this grant is to sustain and extend coverage of the ward-based door-to-door education programme with referrals to local services, to build communities and support and utilise local services appropriately, and to support ward structures to address HIV/AIDS in the local community.</p>		
18.3.6 Summary of Conditional Grants:		
Balance unspent at beginning of year	-	2,930,000
Current year receipts	5,778,000	6,090,000
Conditions met - transferred to Revenue: Operating Expenses	(5,400,632)	(4,900,070)
Conditions met - transferred to Revenue: Capital Expenses	(377,368)	(1,189,930)
Conditions still to be met - transferred to Liabilities	-	-
Grants classified under Receivables from Non-exchange Transactions	-	-
Unspent Conditional Grants - Current Liabilities (see Note 14)	-	-

5.5 ASSET MANAGEMENT

The Asset Management Unit within the Financial Services Directorate plays a crucial role in establishing a structured decision-making process for the acquisition, utilization, protection, and disposal of assets. The primary objective is to maximize the potential benefits and service delivery of assets while minimizing associated risks and costs throughout their lifecycle.

Asset Management within ZF Mgcawu District Municipality is governed by an Asset Management Policy that was initially adopted in 2010 and is subject to annual review. The Asset Management Policy for the 2023/2024 financial year was officially approved by the Council on the 31st of May 2023. The Policy is designed to ensure the consistent application of Asset Management Principles, implementation of accrual accounting, compliance with relevant legislation such as the Municipal Finance Management Act, and proper accounting for assets under the GRAP Accounting Framework. Additionally, the Policy focuses on safeguarding and controlling assets, as well as optimizing asset usage. Key elements addressed in the Asset Management Policy include asset recognition, initial measurement of assets, subsequent measurement of assets, recognition of inventory items, asset types, asset acquisition, maintenance, disposal, physical control, and financial control.

To oversee the implementation of the Asset Management Policy, an Asset Management Committee comprising of Directors and Senior Managers has been appointed. This committee assists the Acting Municipal Manager, who serves as the Accounting Officer of the District Municipality, in fulfilling his responsibilities related to Asset Management as outlined in the Municipal Finance Management Act. The Acting Municipal Manager has delegated asset custody and responsibility to the respective Directors. Throughout the year, the Asset Management Committee remained operational, convening quarterly meetings to address asset-related matters and ensure effective asset management practices within the District Municipality.

Acquisitions

Asset additions made during the year amounts to R1 340 406 which has been reconciled to the general ledger as at 30 June 2024 as required by section 63 of the Municipal Finance Management Act.

During the 4th Quarter of the 2023/2024 financial year the District Municipality approved the disposal of various movable assets including vehicles, computer equipment and furniture which were no longer in use due to being broken or obsolete.

5.6 PUBLIC-PRIVATE PARTNERSHIPS

The ZF Mgcawu District Municipality does not have any Public-Private Partnerships.

COMPONENT B: OTHER FINANCIAL MATTERS

5.7 SUPPLY CHAIN MANAGEMENT

This matter is dealt with in greater detail under Chapter 2 of this document.

5.8 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules, which Municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that Municipal accounts are comparable and more informative for the Municipality. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. The ZF Mgcawu District Municipality received its 10th Clean Audit for the 2022/2023 financial year.

5.9 BBEE COMPLIANCE PERFORMANCE INFORMATION

5.9.1 Ownership and Management Control

The municipality has no shareholding or directors. The Categories are therefore excluded from the reporting below. There are also no dividends that was declared. All Managers are based in the Northern Cape.

	Senior Management	Middle Management	Junior Management
% or Number for each Category			
Race classification			
- African	0	0	N/A
- Coloured	3	0	N/A
- White	1	0	N/A
Gender			
- Male	3	0	N/A
- Female	1		N/A
Age			
- Youth (between the ages of 18 - 35)	0	0	N/A
- Middle aged (between the ages of 36 - 50)	22	0	N/A
- Senior (older than 50)	1	0	N/A
Disability			
- Male	0	1	N/A
- Female	0	1	N/A

5.9.2 Skills development

All skills development was conducted in the Northern Cape.

	Black Employees	Black Non-employees	Black People in Internship, Learnerships	Unemployed Black People	Black People Absorbed
Number for each Category					
Race classification					
- African	15		11		
- Coloured	18		8		1
- White	1		-		
Gender					
- Male	15		6		
- Female	18		13		
Age					
- Youth (between the ages of 18 - 35)			23		
- Middle aged (between the ages of 36 - 50)					
- Senior (older than 50)	1				
Disability					
- Male					
- Female					
Total amount spent	551 011		-		30 000

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5.9.3 Enterprise and Supplier Development				
		EME's	QSE's	Large
Enterprise Development				
Number of Beneficiaries				
% Black ownership				
% Black Women ownership				
Value of Expenditure				
Value of 2% of NPAT or 0.2% of Allocated budget				
Supplier Development				
Number of Beneficiaries				N/A
% Black ownership				N/A
% Black Women ownership				N/A
Value of Expenditure				N/A
Value of 1% of NPAT or 0.1% of Allocated budget				
Total: Enterprise and Supplier Development				
Number of Beneficiaries		-	-	N/A
% Black ownership		0%	0%	N/A
% Black Women ownership		0%	0%	N/A
Value of Expenditure		-	-	N/A
		Target Score	Bonus Points	Actual Score
Contribution to Scorecard				
				-

5.9.4 Socia-Economic Development				
	Race classification			
	African	Coloured	Indian	Total
Number of all participants				
Gender				
- Male				-
- Female				-
Location (number of participants per province)				
- Gauteng				-
- Mpumalanga				-
- Freestate				-
- Limpopo				-
- Western Cape				-
- Eastern Cape				-
- Northern Cape				-
- Kwazulu-Natal				-
- North West				-

CHAPTER 6

AUDITOR-GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS 2022/2023

6.1 AUDITOR-GENERAL'S REPORT 2022/2023

The audit outcomes for the ZFM District Municipality for the last 3 financial years are as follows:

Year	2020/2021	2021/2022	2022/2023
Status	Clean Audit Unqualified Audit Opinion	Clean Audit Unqualified Audit Opinion	Clean Audit Unqualified Audit Opinion

The ZF Mgcawu District Municipality received a Clean Audit for the 2022/2023 financial year. Below is the 2022/2023 Audit Report as received from the Auditor-General in November 2023. The 2023/2024 Audit Report will be attached to this document once it becomes available.

**Report of the auditor-general to the Northern Cape Provincial
Legislature and the council on ZF Mgcawu District Municipality**

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the ZF Mgcawu District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the ZF Mgcawu District Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

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

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 50 to the financial statements, which indicates that the three-year Medium Term Revenue Expenditure Framework (MTREF) reflected that the budget was unfunded for 2023/24, 2024/25 and 2025/26. The outcome of the cash back assessment from Provincial Treasury was negative for 2023/24 as well as negative for the two outer years 2024/25 and 2025/26. Further the cash flow challenges

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are experienced, as cash flow projections are compiled for the payment sequence of the equitable share which is the largest portion of operational revenue source. As stated in note 50, these events or conditions, along with the other matters as set forth in note 50, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Other matters

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

Unaudited disclosure notes

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

Unaudited supplementary schedules

10. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

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

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate,

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they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the annual performance report

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

16. I selected the following material performance indicators related to basic service delivery and municipal financial viability & management presented in the annual performance report for the year ended 30 June 2023. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- The assistant director environmental health to conduct quarterly monitoring of drinking water quality at all category B-municipalities and correspond any failures to the category B -municipalities.
- Create 09 full time equivalent for the financial year ending 30 June 2023 by repairing water leaks in Dawid Kruiper mun.
- Create 05 full time equivalent for the financial year ending 30 June 2023 by repairing water leaks in Kai Garib mun.
- The assistant director town planning to submit the joint municipal planning tribunal minutes and attendance register as proof of annual sitting concluded.

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

18. I performed procedures to test whether:

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

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

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

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

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

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

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

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

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

Other information in the annual report

27. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. 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

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

Auditor General

Auditor-General
Kimberley
30 November 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

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- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

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Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Definition: service delivery and budget implementation plan Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), Sections 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), Sections 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 126(1)(a), Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulation 71(1), 71(2),
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4),
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(c), 16(a), 17(1)(a), 17(1)(b), Regulations 17(1)(c). 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations 28(1)(a)(i), 29(1)(a) and (b), 29(5)(a)(ii), 29(5)(b)(ii), Regulations 32, 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations 38(1)(g)(ii), 43, 44, 46(2)(e), 46(2)(f)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Financial misconduct reg	Regulations 10(1), 6(8)(b), 5(4)
Annual Division of Revenue Act	Sections 12(5), 16(1);
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)

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Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 5(1), 5(3), 5(6), 5(7), 6(1), 6(8), 7(1), Regulations 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1)
Preferential Procurement Regulations, 2022	Regulations 4(4), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a), Sections 29(2)(c), 29(3)(b), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), Sections 67(1)(d),
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 3(5)(a), 7(1), 8, Regulations 15(1)(a)(i),
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)

6.2 COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

In terms of Section 71 of the MFMA, Municipalities are required to return a series of financial performance data to the National Treasury at specific intervals throughout the year. The Chief Financial Officer hereby states that these data sets have been returned according to the reporting requirements.

Signed by: 

Mrs. E. Isaacs

Chief Financial officer

30 August 2024

APPENDICES

APPENDIX-A
COMMITTEE
ALLOCATION

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MPAC [MUNICIPAL PUBLIC ACCOUNTS COMMITTEE]

- Cllr. M.M Louw (ANC) (Chairperson)- Council endorsed the new MPAC Chairperson on 28 February 2024
- Cllr. J. Balies (EFF)
- Cllr. F.L. Witbooi (DA)
- Cllr. D.R. Pienaar (ANC)
- Cllr. P.J. George (ANC)
- Cllr. K.G. Keorometswe (ANC)

INSTITUTIONAL DEVELOPMENT

- Cllr. A. Johnson (ANC)(Chairperson) (Mayoral Committee Member)
- Cllr. A.J. Ruiters (DA)
- Cllr. P.J. George (ANC)
- Cllr. F. Basson (ANC)
- Cllr. A.C. Kotzee (HFTF)
- **Mayor & Speaker (ex-officio)**

SOCIAL ECONOMIC DEVELOPMENT

- Cllr. A. Matshimo (ANC)(Chairperson) (Mayoral Committee Member)
- Cllr. D.H. de Koker (DA)
- Cllr. S. Sandlana (DA)
- Cllr. M.M. Louw
- **Mayor & Speaker (ex-officio)**

SERVICE DELIVERY

- Cllr. P.M. Mgcera (ANC)(Chairperson)(Mayoral Committee Member)
- Cllr. C.F.P. Bezuidenhout (DA)
- Cllr. M.H.B. van Zyl (DA)
- Cllr. M. Willemse (EFF)
- Cllr. F. Basson
- Cllr. J. Ballies
- Cllr. F.L. Witbooi (DA)
- **Mayor & Speaker (ex-officio)**

GOOD GOVERNANCE

- Cllr. J. Silo (ANC)(Chairperson)(Mayoral Committee Member)
- Cllr. D.H. de Koker (DA)
- Cllr. D.R. Pienaar (ANC)
- Cllr. K.G. Keorometswe (ANC)
- Cllr. S. Abels (ANC)
- **Mayor & Speaker (ex-officio)**

MAYORAL COMMITTEE

- Cllr. M.C. Basson (ANC) (Executive Mayor)
- Cllr. A. Johnson (ANC) (Chairperson: Institutional/LLF)
- Cllr. A. Matshimo (ANC) (Chairperson: Social/ Economic)
- Cllr. Silo (ANC) (Chairperson: Good Governance)
- Cllr. P. M. Mgcera (ANC) (Chairperson: Service Delivery)

FINANCE VIABILITY

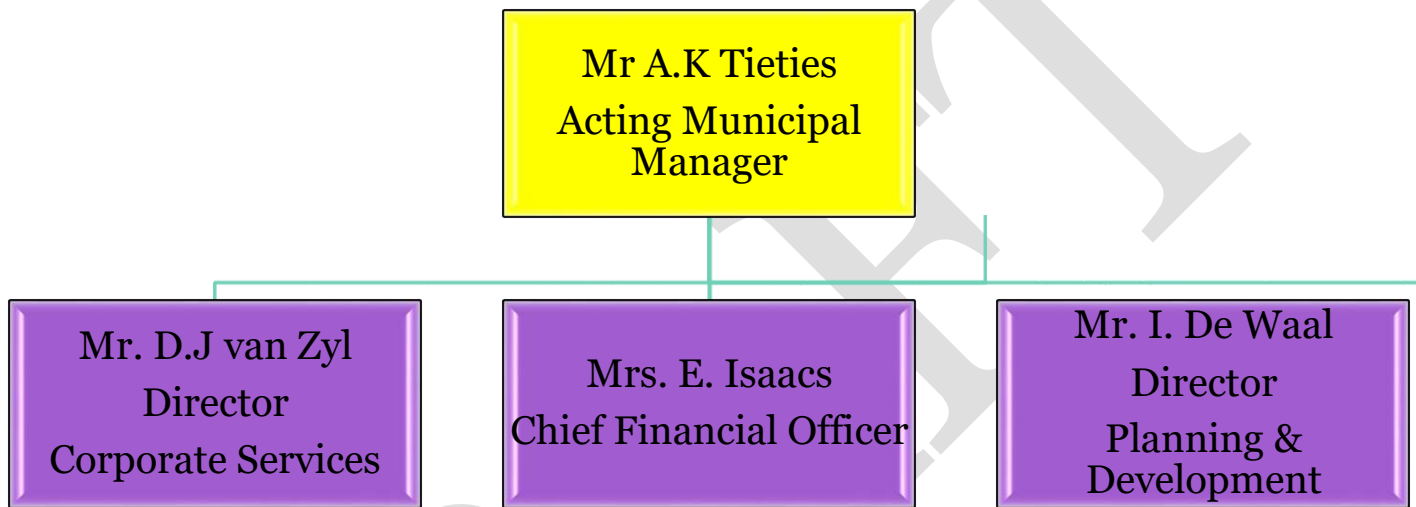
- Cllr. M.C. Basson (ANC)(Chairperson) (Executive Mayor)
- Cllr. P.T. van der Steen (DA)
- Cllr. F. Basson (ANC)
- Cllr. S. Abel (ANC)

APPENDIX-B
COMMITTEES AND
COMMITTEE
PURPOSES

COMMITTEES OTHER THAN MAYORAL AND THEIR PURPOSES

Institutional Development	This committee deals with institutional matters including administration and human resources
Service Delivery	This committee deals with service delivery issues also focusing on Local Municipalities
Social and Local Economic Development	Local Economic Development (LED) forms an important part of economic growth in the region and this committee deals with all LED programs in the District.
Good Governance and Public Participation	Matters relating to communication, ward committees, and public participation
Municipal Finance Viability	Finance related information (compliance reports and budgets)
Municipal Public Accounts Committee (MPAC)	Performs an oversight function dealing with matters such as evaluating the annual report, Fraud and Anti-Corruption, internal audit, risk management, and other finance-related matters.

APPENDIX-C
THIRD-TIER
STRUCTURE



APPENDIX-D

MUNICIPAL FUNCTIONS

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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	
Building regulations	No	
Childcare facilities	No	
Electricity and gas reticulation	No	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	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 Constitution or any other law	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services are limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	

APPENDIX-E
AUDIT COMMITTEE
RECOMMENDATIONS

SUMMARY OF RESOLUTIONS AND RECOMMENDATIONS OF THE AUDIT COMMITTEE

<i>SUMMARY OF RESOLUTIONS AND RECOMMENDATIONS OF THE AUDIT COMMITTEE</i>					
<i>RESOLUTION & RECOMMENDATION LAUNCHED</i>		<i>RESOLUTIONS & RECOMMENDATIONS IMPLEMENT</i>		<i>RESOLUTION & RECOMMENDATION OUTSTANDING</i>	
<i>QUARTER</i>	<i>NUMBER</i>	<i>QUARTER</i>	<i>NUMBER</i>	<i>QUARTER</i>	<i>NUMBER</i>
Quarter 1	4	Quarter 1	4	Quarter 1	0
Quarter 2	11	Quarter 2	11	Quarter 2	0
Quarter 3	5	Quarter 3	5	Quarter 3	0
Quarter 4	6	Quarter 4	0	Quarter 4	6
LAUNCHED	26	IMPLEMENTED	20	OUTSTANDING	6

Detail summary of decisions taken by the Audit Committee during the 2023/2024 Financial Year

Date of Meeting	Resolutions	Implemen ted	Not Implem ented
22 August 2023	<ol style="list-style-type: none"> 1. That Management submit the Service Delivery and Budget Implementation Plan to the Audit Committee for Review after amendments were made to ensure that the Key Performance Indicators were in line with the SMART principles. 2. That Management must provide the Audit Committee members with a schedule which states the - timeframes when the External Quality Assurance for the external quality review of the Internal Audit Unit will be procured. 	1 & 2	

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<p>10 October 2023 Meeting</p>	<ol style="list-style-type: none"> 1. That Unit Manager Performance Management System present the Quarter 4 Report of Performance Management System at the next Audit Committee meeting of 5 December 2023. 2. That the Acting Municipal Manager submit the Draft Support Plan to the members of the Audit Committee and the Internal Audit Unit. 	<p>1 & 2</p>	<p>None</p>
<p>5 December 2023 Meeting</p>	<ol style="list-style-type: none"> 1. That Management ensure that all Units within the Executive and Council Directorate who has implemented Internal Audit Recommendations make an arrangement with Internal Audit to present their evidence during an audit follow Up session by no later than 31 January 2024. 2. That Management ensure that all Units within the Planning and Development Directorate who has implemented Internal Audit Recommendations make an arrangement with Internal Audit to present their evidence during an audit follow Up session by no later than 31 January 2024. 3. That Management ensure that all Units within the Financial Services Directorate who has implemented Internal Audit Recommendations make an arrangement with Internal Audit to present their evidence during an audit follow Up session by no later than 31 January 2024. 4. That Management ensure that all Units within the Corporate Services Directorate who has implemented Internal Audit Recommendations make an arrangement with Internal Audit to present their evidence during an audit follow Up session by no later than 31 January 2024. 	<p>1, 2, 3, 4, 5, 6, 7, 8, 9, 10 &11</p>	<p>None</p>

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	<ol style="list-style-type: none">5. That the updated report on alleged double payment was reported at the previous Audit Committee meeting of 10 October 2023 be send to the members of the Audit Committee to provide feedback on the progress of the reported fraud.6. That the copy of the approved Risk Register of 2023/2024 as well as the Directors Report which was tabled at the last Risk Management Committee of 1 December 2023 be send to all members of the Audit Committee.7. That Management must report on the compilation of written system descriptions for all Units within the Corporate Services Directorate at the next Audit Committee meeting.8. That Management must give feedback at the next Audit Committee why audit evidence requested for the Audit of Strategic Risks for Planning and Development was not provided for auditing purposes during the audit of Quarter 2 of 2023/2024.9. That a virtual special Audit Committee be arranged for the Audit Committee members only after the appointment of the third Audit Committee member before the next scheduled Audit Committee meeting to update the new Audit Committee member on the business of the Audit Committee.10. That feedback be provided at the next Audit Committee meeting on: Item 7.2.5 Report on Performance Information for Quarter 4 and 1; Item 7.2.6 Report on Support to B Municipalities and 7.2.7 Report on the timeline of the Combined Assurance Model.		
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	<p>11. That feedback be provided at the next Audit Committee meeting on: Item 7.3.3 Report on Irregular, Fruitless, Wasteful and Unauthorised Expenditure, 7.3.4 Cash Flow Position, 7.3.5 Operational and Capital Budget, 7.3.6 Compliance with DORA and 7.3.7 Report on mSCOA.</p>		
<p>15 April 2024 Meeting</p>	<ol style="list-style-type: none"> 1. That a meeting is arranged with all Assurance Services Providers within the ZF Mgcawu District Municipality to determine the responsible Assurance Service Provider to co-ordinate the Combined Assurance Process within the District Municipality 2. That all the Supervisors of the Units within the Directorate Executive and Council who have outstanding Internal Audit recommendations been summoned to report to the Audit Committee why these Internal Audit recommendations were not implemented yet. 3. That all the Supervisors of the Units within the Directorate Planning and Development who have outstanding Internal Audit recommendations been summoned to report to the Audit Committee why these Internal Audit recommendations were not implemented yet. 4. That all the Supervisors of the Units within the Directorate Financial Services who have outstanding Internal Audit recommendations been summoned to report to the Audit Committee why these Internal Audit recommendations were not implemented yet. 5. That all the Supervisors of the Units within the Directorate Corporate Services who have outstanding Internal Audit recommendations been summoned to 	<p>1, 2, 3, 4 & 5</p>	<p>None</p>

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	<p>report to the Audit Committee why these Internal Audit recommendations were not implemented yet.</p>		
<p>24 June 2024 Meeting</p>	<ol style="list-style-type: none"> 1. That the Financial Sustainability of the ZF Mgcawu District Municipality be a standing item on the agenda of the Audit Committee meetings. 2. That the reporting of the Audit Committee to the Council of ZF Mgcawu District Municipal Council be conducted every quarter. 3. That the Internal Audit Unit conduct advisory Audit Follow Up sessions with all Directorates within the ZF Mgcawu District Municipality on the outstanding Internal Audit Recommendations. 4. That Management submit the Draft Annual Financial Statements of the financial year 2023/2024 to both the Audit Committee Members and the Internal Audit Unit by 12 August 2024 for review prior to submission to the Office of the Auditor General on 31 August 2024. 5. That Management submit the Draft Annual Performance Report of the financial year 2023/2024 to both the Audit Committee Members and the Internal Audit Unit by 12 August 2024 for review prior to submission to the Office of the Auditor General on 31 August 2024. 6. That Management submit the Draft Annual Report of the financial year 2023/2024 to both the Audit Committee Members and the Internal Audit Unit by 12 August 2024 for review prior to submission to the Office of the Auditor General on 31 August 2024. 	<p style="text-align: center;">None</p>	<p style="text-align: center;">1, 2, 3, 4, 5 & 6</p>

APPENDIX-F
FINANCIAL
DISCLOSURES
2023/2024

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RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

41.1 Interest of Related Parties

Councillors and/or Management of the District Municipality have relationships with businesses as indicated below:

Name of Related Person	Designation	Description of Related Party Relationship
W.R Peterson	Speaker	Director at China South Africa Mining International Development Director at Exclusive Access Trading 519 Director at Khoisan Heritage Director at Northern Cape Desert Dreams Corporation Member at Temla 107 Director at Xiri holdings
S Sandlana	Councillor	Director at K2020861781 Director at UCEDO 4+1 Organization Primary Co-operative LTD Director at ZFM Meter district Taxi organization
T Van Der Steen	Councillor	Director at Loodgieter Van Der Steen Member at Van Der Steen Pomp en Pyp Member at Jesu Nkosi Monuments
P Mgcera	Councillor	Director at Phathilizwe Enterprise
A Kotzee	Councillor	Director at Tierberg Kahamel
H De Koker	Councillor	Member at Tumelo Youth Farm
M Louw	Councillor	Director at Mawele Konstruksie
K.A Nkoe	Councillor	Director at Nkoe and Associates chartered certified accountants

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Name of Related Person	Designation	Description of Related Party Relationship
A Johnson	Councillor	Director at A M J Professional Services Director at Aaron Renier Johnson Trading Director at Freshgrowth Primary Agricultural co-operative limited Director at K2021416957 Director at Keimoes Gen Leisure Holdings Director at RV Gasp Primary Co-Operative limited Director at Youth first enterprise
K Keorometswe	Councillor	Director at Enkelo Enterprise Director at Katlo Ya Lona Projects Director at Month Baskets General trading
A Matshimo	Councillor	Member at Inyakmeko Trading 1154
J Esau	Councillor	Director at Green Bird Construction and General Director at Jacks enterprise services Director at On Spot Construction and General
D Pienaar	Councillor	Director at Wonderers Youth Academy Director at Halala enterprise Director at Denha Cash loans Director at DRP Property Investments Director at Futu Holdings Director at Futu Investments Director at Phutanang Recycling Primary Corporative Limited Director at Kgatelopele Business forum Director at Likade trading Director at Phatsimo 101
P Matthys	Councillor	Director at CFH Solutions
A Tieties	Acting Municipal Manager	Director at A and T Development Director at CC Mketsu Logistics Director at Khanya Solar Solution
J Visagie	Middle Manager	Director at Sakiwi5 Trading
GB Cloete	Middle Manager	Member at BC2S Construction Consulting and trading services
CM Mathe	Middle Manager	Director at O Mogolo Homes Director at Our Solid Foundation Director at O Mogolo Jehovah
M Manyeh	Middle Manager	Director at Brownsugar Communications
J Willems	Middle Manager	Director at Brainwave Projects
E Van Der Westhuizen	Middle Manager	Director at Second Home Hostel
B Van Kratenburg	Middle Manager	Director at BMD Trading
JA Kitching	Middle Manager	Member ar Ablaze Trading 258 Director at ANSEC 133
J Linden	Middle Manager	Director at Hazfree Waste Management
FJ Strauss	Middle Manager	W J P Strauss Boerdery
H Mclauli	Middle Manager	Director at Christian Restoration Hour Radio Station Director at Investing in People Director at K2020805981
M Wolfe	Middle Manager	Director at GFTM Service and Advisory Director at Save a Child
G Booysen	SCM Official	Member at GSNF Construction
L De Klerk	Financial Intern	Director at SKYY Holdings
M Venter	Audit Committee	Director at Inkqabelo Director at CRC Cares Uppington
U Thys	Audit Committee	Director at Mpapot Africa Director at PDNA Da Vinci Academy Director at Superlane 140
N Mchlauli	Managers Spouse	Director at Christian Restoration Hour Radio Station Director at Fearless Child Director at Investing in People Director at K2020805982 Director at K2022499848
K Kitching	Manager's Spouse	Director at ANSEC 133
J Van Der Westhuizen	Manager's Spouse	Director at Second Home Hostel
EE Job	Manager's Spouse	Director at Zwanofe Contractors
E Job	Managers Spouse	Director at Zwanofe Contractors

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The following Councillors and/or Management of the District Municipality was in businesses but resigned from the business:

Name of Related Person	Designation	Description of Related Party Relationship
D Pienaar	Councillor	Director at Futu Renewal Energy park Director at JHD Enterprise Director at Kgosi Engineers Director at Vision Valley Technologies Director at Adonai Enterprize
MA Willemse	Councillor	Director at K2023735744 Director at Ubuntu Business investments
PJ George	Councillor	Director at Doods and George Trading Director at Philander and George Trading
J Willemse	Middle Manager	Director at Black Sparrow Trading
J Nengome	Middle Manager	Member at Sedzaphanda Building Construction Company Secretary at Macdonalds Transport Company Secretary at Mora Plase Company Secretary at Rich Rewards trading Company Secretary at Sivukile Transport Company Secretary at Summersow Investments Company Secretary at Victory Parade Trading 101
U Thys	Audit Committee	Member at Aotipho Investments Director at Aspen Hills home owners association Director at Merz and Mclellan Director at Mott Macdonald Contracting Director at Mott Macdonald development SA Director at Mott Macdonald Holdings Director at PDNA Academy Director at PDNA Holdings Director at Phambili Merz
K Kitching	Managers Spouse	Director at Hemiprox
A Van Zyl	Directors Spouse	Director at Ansec Director at Hemiprox

The following Councillors and/or Management of the District Municipality have no relationships with businesses:

Name of Related Person	Designation	Description of Related Party Relationship
MC Basson	Executive Mayor	No relationship with businesses
CFP Bezuidenhout-Maasdorp	Councillor	No relationship with businesses
S Abel	Councillor	No relationship with businesses
FL Witbooi	Councillor	No relationship with businesses
A Ruiters	Councillor	No relationship with businesses
J Balies	Councillor	No relationship with businesses
F Basson	Councillor	No relationship with businesses
MHB Van Zyl	Councillor	No relationship with businesses
J Silo	Councillor	No relationship with businesses
I De Waal	Director	No relationship with businesses
DJ Van Zyl	Director	No relationship with businesses
E Britz/Isaacs	Director	No relationship with businesses
A Phete	Middle Manager	No relationship with businesses
R Snyders	Middle Manager	No relationship with businesses
T Galloway	Middle Manager	No relationship with businesses
B Feris	Middle Manager	No relationship with businesses
B Knouws	Middle Manager	No relationship with businesses
F Ruppig	Middle Manager	No relationship with businesses
J Shorty	Middle Manager	No relationship with businesses
G Present	Middle Manager	No relationship with businesses
T Job	Middle Manager	No relationship with businesses
H Theron	Middle Manager	No relationship with businesses
S Berend	Middle Manager	No relationship with businesses
G Kuun	Middle Manager	No relationship with businesses
T Louw	Middle Manager	No relationship with businesses
S Botha	Middle Manager	No relationship with businesses
C Swarts	SCM Official	No relationship with businesses

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Name of Related Person	Designation	Description of Related Party Relationship
LCC Drawer	Financial Intern	No relationship with businesses
M Theron	Managers Spouse	No relationship with businesses
R Galloway	Manager's Spouse	No relationship with businesses
JM Snyders	Manager's Spouse	No relationship with businesses
LG Cloete	Manager's Spouse	No relationship with businesses
JP Berend	Manager's Spouse	No relationship with businesses
B Feris	Managers Spouse	No relationship with businesses
ND Isaacs	Manager's Spouse	No relationship with businesses
T Linden	Manager's Spouse	No relationship with businesses
AM Shorty	Manager's Spouse	No relationship with businesses

41.2 Services rendered to Related Parties

The District Municipality did not render any services during the year to anyone that can be considered as a related party.

41.3 Loans granted to Related Parties

In terms of the MFMA, the Municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by ZF Mgawu District Municipality.

41.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Appendix G, to the Annual Financial Statements.

41.5 Purchases from Related Parties

The District Municipality did not purchase goods from anyone during the year that can be considered as a related party.

41.6 Related Parties of Spouses

The District Municipality performed CIPC checks on spouses of senior- and middle managers during the year to identify related party transactions but none were identified..

ANNEXURES AND VOLUMES

The Audit Committee Report is attached under Annexure B of this Report. The following documents will form part of the Draft Annual Report 2023/2024 and will be attached to this Report in due course:

Annexure A-Annual Performance Report [To be Attached Post Audit]

Annexure B-Audit Committee Report [Attached]

VOLUME IIA-Annual Financial Statements [To be Attached Post Audit]

VOLUME IIB-Audit Recovery Plan [To be Attached Post Audit]

ANNEXURE A

ANNUAL

PERFORMANCE

REPORT

[TO BE ATTACHED

POST AUDIT]

ANNEXURE B

AUDIT

COMMITTEE

REPORT

Audit Committee Report



For the year ending

30 June 2024

Audit and Performance Committee Report

Legislative requirements

The objective of this report is to convey to the Council the perspective of the Audit Committee (AC) regarding its oversight duties in accordance with section 166 of the Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003, as amended), in conjunction with Circular 65 issued by the National Treasury for the fiscal year concluded on 30 June 2024.

The MFMA mandates that each municipality establish an independent audit committee, which is required to provide counsel to the municipal council, political office-bearers, the accounting officer, and the management personnel of the municipality, as well as the accounting entity, on issues pertaining to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability, and accuracy of financial reporting and information, performance management, effective governance, adherence to the MFMA, the annual Division of Revenue Act (DoRA), and any other relevant legislation, along with any additional matters referred to it by the municipality.

The Audit Committee (AC) operates under formal terms of reference, which are subject to annual review and ratification by the Council. The AC is honoured to submit its report for the fiscal year concluded on 30 June 2024.

Audit committee's responsibility

The AC has duly fulfilled its obligations as delineated in section 166 of the Municipal Finance Management Act (MFMA), in conjunction with MFMA Circular 65, and hereby reports that it has operated in accordance with the audit committee charter as aligned with the internal audit charter.

Audit Committee members

The constituents of the AC are exclusively independent representatives of the District Municipality. The individuals serving on the committee have been duly appointed by the District Municipality. The AC is comprised of the members enumerated below. It

is mandated by the ratified terms of reference for the AC members to convene a minimum of four times annually.

Audit and Performance Committee Members				
	Mr. L.S. More Chairperson	Mrs. M. Venter Member/ Chairperson	Ms U. Thys Member	Mr K. Nkoe Member
No of Ordinary meetings attended	1	3	5	5
No of Special meetings attended	1	1	1	1

The AC members can assertively report that they have conducted meetings with the Acting Municipal Manager in his capacity as the Accounting Officer, the Senior Management of the District Municipality, the Internal Audit function, and the Auditor General of South Africa (AGSA), both collectively and individually, regarding issues pertinent to governance, internal control, performance information, financial information and risk management within the municipality throughout the reporting period.

Upon invitation, the Audit Committee also provided comprehensive reports to the Council addressing governance, internal control, risk management, performance, financial information, and other significant matters relevant to the District Municipality.

Internal audit function

The Accounting Officer is mandated, pursuant to section 165 of the Municipal Finance Management Act (MFA), to ensure the municipality possesses and sustains systems of internal audit under the governance and oversight of the Audit Committee (AC).

The District Municipality has established a proficient Internal Audit function, directed by the deputy Director Internal Audit serving in the role of the Chief Audit Executive (CAE). The Internal Audit function reports to the AC on a functional basis and to the Accounting Officer on an administrative basis.

The AC has ratified the internal audit plan for the financial period of 2023/2024 to facilitate the provision of assurance to those entrusted with governance, including the AC. The Internal Audit unit has operated with efficacy and efficiency throughout the current financial year under review, having completed all audits delineated in the approved annual audit plan.

In accordance with the Internal Audit (IA) standards for professional practice of internal audit 1300, the CAE is required to develop a Quality Assurance and Improvement Program (QAIP), which encompasses both internal and external assessments. The external assessment must be conducted at a minimum of every five years by an independent evaluator external to the organization, as stipulated by the IA standard. In the pursuit of adherence to the aforementioned standard, Excellent Minds Institute (Pty) was appointed to perform a comprehensive external assessment of the ZF Mgcawu District Municipality's IA operations. The objective of the external quality assurance review was to assess the IA activities in alignment with the obligatory components of the Internal Professional Practice Framework (IPPF).

The AC is pleased to report that the overall conclusion of the assessment of the IA is a General Conformance (GC). The GC signifies that the IA activities possess a charter, policies, processes, and procedures that are congruent with the IA best practices as delineated in the IPPF, adhering to the mandatory requirements of the IPPF.

It merits mentioning that the GC represents the pinnacle of results or the most favourable outcome that our IA has attained under the stewardship of Mrs. Gail Cloete. The AC wishes to extend its congratulations to the IA team for their unwavering and continuous commendable performance. It is noteworthy that the ZF Mgcawu District Municipality IA stands as the first municipality in the Northern Cape to undergo a quality review process as mandated by the standard and to achieve a favourable outcome.

Quarterly reports

The Audit Committee conducted a quarterly assessment of the performance information, financial information, risk management and other obligatory reports as stipulated by the terms of reference for the Audit Committee. The Audit Committee expresses its satisfaction regarding the substance and calibre of the quarterly reports that have been prepared and disseminated by the District Municipality's Management, notwithstanding the minor issues that may have been noted, which are deemed immaterial to the influence of the Audit Committee's report.

The Effectiveness of Internal Control

The Audit Committee duly acknowledges the efforts of the Management and the Internal Audit function in the establishment and maintenance of strong internal controls within the district municipality. Therefore, as a direct outcome of the efficient internal controls implemented within the district, no further concerns were reported by the internal audit that would indicate a significant deficiency in the internal controls.

Risk Management

The AC additionally fulfils an oversight function in the realm of organizational risk management. The District Municipality has designated an independent chairperson for the Risk Management Committee to facilitate the resolution of critical risks that could impede the organization from achieving its strategic objectives as delineated for the financial period under scrutiny. For the purposes of combined assurance, the independent Chairperson of the Risk Management Committee is consistently invited to present or share her reports to the AC. The AC expresses its contentment regarding the manner in which the District Municipality is managing matters related to organizational Risk Management.

Evaluation of the Annual Financial Statements, Annual Performance Report and Annual Report

The AC has performed a desktop review or limited review on the Annual Financial Statements, Annual Performance Report and Annual Report. Except for the matters highlighted by the External Audit and the report from the Internal Auditors, the Audit Committee is satisfied that the Annual Financial Statements have been prepared in

compliance with the Generally Recognized Accounting Practice (GRAP) and the Municipal Finance Management Act (MFMA).

Auditor-General of South Africa

The AC has noted the Auditor General's conclusion on the Annual Financial Statements. The committee has been involved throughout the audit process and has been thoroughly appraised of the matters raised by the external auditors. The committee has met with the AGSA to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the AGSA.



Mr. L More

AC Chairperson

VOLUME IIA
ANNUAL
FINANCIAL
STATEMENTS
[TO BE ATTACHED
POST AUDIT]

VOLUME IIB
AUDIT
RECOVERY
PLAN
[TO BE ATTACHED
POST AUDIT]